

Bridge

The Idea Exchange of the credit union movement



August
1946

"Tragedy" by J. L. Bendix—courtesy of POPULAR PHOTOGRAPHY

official publication

Credit Union National Association

Flash!

BOTH HOUSES OF CONGRESS have now approved the amendment to the Federal Credit Union Act (see page 7 of June BRIDGE) which provides that the maximum unsecured loan federal credit unions may grant shall be raised from \$100 to \$300. As we go to press the bill is just being sent to President Truman.

Membership Drive

Notes

☐ The Fourth Annual International Credit Union Membership Drive starts September 1 and runs to December 1.

☐ The September issue of BRIDGE will be a special membership drive issue, largely devoted to suggestions and aids for your drive.

☐ Only about one-third of the potential members of credit unions in the United States are members.

☐ Studies reveal that only a very small proportion of the people in the United States have savings totaling as much as \$100.

☐ Millions of people badly need both the thrift and loan features of the credit union two-fold program.

☐ Credit unions who realize this opportunity and initiate strong promotional programs will obtain a rapidly increasing number of grateful members.

☐ An energetic membership drive, followed through with continuous, genial, prompt, confidential credit union service, cannot help but pay great dividends to all concerned.

"Let Us Start Now"

"LET US START NOW to lay our plans for the Fourth Annual International Credit Union Membership Drive, which will run from September 1 to December 1.

"Your membership drive committee should be appointed at once, and the committee should immediately begin to gather material and ideas for the drive. It might well study the September, 1945, issue of BRIDGE (this year an issue similarly devoted to the membership drive will be issued the first of September). It might well review the lessons learned during your credit union's drive last year, if you had one. It might well keep its eyes peeled for suggestions from material developed by other agencies. It might well review the Idea Exchange section of recent issues of BRIDGE.

"The sooner we start getting ready, the more successful this year's drive will be. And the more successful we make the drive, the better shall we meet the challenge presented us by

the peace-time reconversion period. Truly this is a crucial period, and we must do our part toward assuring peace-time prosperity—the only true prosperity."—Dora Maxwell, director Cuna Organization and Education Department in July BRIDGE.

Milestones

ELIZABETH K. LYNCH, managing director of the Florida Credit Union League for the past four years, is moving to a similar position with the Tennessee and Virginia leagues.

☐ Perry Dippel, of Rochester, New York, is joining the field staff of the New York State Credit Union League.

☐ William Maneck has been named assistant managing director of the Michigan Credit Union League.

What, Oh What, To Do?

In August

☐ Publicize loans for school expenses.

☐ Publicize loans for winter fuel, winter clothes and other winter needs.

☐ Step up planning for participation in Fourth Annual International Credit Union Membership Drive.

☐ Develop plans to increase children's participation in credit union.

☐ Continue to remind members of value of saving for Christmas expenses.



Founders Club

New Members

SINCE OUR LAST REPORT, the following new members have been admitted to the Founders Club:

J. D. Lascelles, Corbeil Credit Union Limited, Corbeil, Ontario.

Paul H. Mullins, E. S. E. O. Federal Credit Union, Oklahoma City, Oklahoma.

C. W. McCoy, Texas Company P. A. W. Employees Federal Credit Union, Port Arthur, Texas.

Gurden P. Farr, Detroit Postal Employees' Credit Union, Detroit, Michigan.

Edwin D. Clauss, Allentown Teachers Credit Union, Allentown, Pennsylvania.

Bridge

Volume 11 AUGUST Number 6

Official Publication

Credit Union National Association

Madison 1, Wisconsin

HOWARD C. CUSTER, Editor

CHAS. G. HYLAND, Business Manager

SUBSCRIPTIONS—\$1 A YEAR



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CUNA

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The BRIDGE is published monthly by the CREDIT UNION NATIONAL ASSOCIATION at 404 N. Wesley Ave., Mount Morris, Illinois. Editorial offices are located at Raifelsen House, Madison, Wis. Knobel and Vining, advertising representatives, 380 N. Michigan Ave., Chicago, Ill. Communications having to do with subscriptions, should be addressed to 404 N. Wesley Ave., Mount Morris, Illinois, or to The BRIDGE, Raifelsen House, Madison, Wisconsin. Entered as second-class matter Feb. 12, 1942, at the post office at Mount Morris, Illinois, under the Act of Mar. 3, 1879. Copyright 1946 by CREDIT UNION NATIONAL ASSOCIATION. Subscription rates, single copies, 10c; yearly subscriptions \$1.00.



Member Southwestern Association of Industrial Editors, Member National Council of Industrial Editors.

BRIDGE



"I Dared to Travel"

by Julio F. Pascua

IT IS A GROSS UNDERSTATEMENT to say that this story of a Philippine credit union during the war is inspiring. It is easy to read between Mr. Pascua's modest lines to find a classic of war heroism and devotion to the people's welfare.

On April 30, 1946, the Pias National Credit Union had \$5,000 paid in shares, more than 200 members, 150 borrowers, and \$4,800 in loans outstanding.

In ten years they hope to have 10,000 credit unions in the Philippines, with 100,000 members, and \$1,000,000 in assets.

Mr. and Mrs. Allen R. Huber, referred to by Mr. Pascua at the close of his article, are missionaries and credit union pioneers who have returned to the United States since the war to gather materials and ideas. Mr. Huber contributed an article on "Credit Unions in the Philippines" to the October 1941 BRIDGE.

WHEN the war broke out on December 8, 1941, I evacuated the office of the credit union to the mountain where all the people of the community evacuated. I established the office temporarily and ran it as there were no Japanese coming to the mountain. But the office was in the secret place known only to loyal members, because there were bandits, robbers, kidnappers and killings in all places. They were Filipino civilians. All the males of our neighboring barrie associated themselves and took all our harvest by force. We kept silent because we did not like to be killed. We followed Jesus teachings Acts 20:35.

Then life became harder and harder. We could not go down because the Japanese were after us. They killed civilians, stole rice, animals, chickens, vegetables and clothes. To go from place to place was dangerous because of the bandits much more to go down because of the Japanese. Then the cash of the credit union on hand ex-

hausted because there were more borrowers and withdrawers than payments.

Alone

Amidst these terrible situations, I was hesitating to go to the different camps to collect loans, but because my sympathy to the neediest is greater than fear so that I dared to travel collecting loans. Before starting, I always asked God to go with me, I was alone because nobody wanted to accompany me. They were afraid. Even the borrowers were afraid so that I was the one who delivered them their loans.

After the harvest on 1942 I requested the borrowers to pay their loans in the form of rice instead of cash. Money this time was scarce so that the borrowers were very glad when I told them to pay their loans in the form of rice. Furthermore those who were in need prefer to get rice instead of cash as there was no store where to buy rice. Farmers did not like to sell and share those who were in need.

As it was hard to collect and deliver the rice to the borrower, I requested the board to give me a companion to carry the sack of rice with a compensation of P1.00 a day. On March 1942 I was appointed chief clerk of the Evacuated Military Government by the Mayor. I was then able to collect some loans of the Gov. Ablan's War Note. The members did not like to borrow the war note, it was hard to spend it. Furthermore it was risky to hold because the Japanese were after it.

Then in 1943 we were forced by the Japanese to go down to our respective houses. I was running just the same the credit union. Mekie mouse money became greater in number monthly, so that I collected only when there was an applicant.

During the war we held credit union conference, convention and institute, but we always held them inside the Church because the Japanese did not molest those who are inside the Church, or Chapel.

There were only two credit unions functioning in the Philippines during

the war; Batae Christian Credit Union and Pias National Credit Union. Batae Christian Credit Union stopped functioning on November 1944 when Rev. Silvester Morales was taken prisoner by the Japs, but reactivated again after several months. The Pias National Credit Union stopped functioning on September 1, 1944, when I was authorized to organize a Guerrilla Battalion in Currimao, Ilocos Norte, I was appointed commander of the Battalion so that I had no more time to manage the credit union. So it stopped temporarily.

Fought With Boloes

We had no arms only boloes. We captured machine guns, Anti-Aircraft guns, rifles, radios, several thousand rounds of ammunition, five alive Jap soldiers and killed 17. Now I am working for the recognition of our Unit. I hope AFWESPAC will approve it.

In November 1945 the directors met and approved the re-activation of the Pias National Credit Union. Now there are many credit unions operating in Ilocos Norte. A credit union was organized during the war among the employees of the Philippine National Bank in Laoag, Ilocos Norte. Mr. Filemon Pascua was appointed manager. He is the Cashier of the National Bank. He is a very active manager.

But credit union movement is quite slow for the present due to the simple reason that the people are hardup financially. Credit unions in the Philippines has a bright future. After the war the people as well as the government employees are more active in cooperative movement than before the war. I think the Filipinos will be more democratic financially if credit unions are organized in every town of the archipelago. This can easily be done especially if Mr. and Mrs. Huber will come back here, and the Philippine Government will request an American expert in cooperatives to help him (Mr. Huber) to lay out the organization of National Credit Union Association and other cooperatives in the Philippines.

Ignorance of withholding tax rules costly to credit union

Perhaps your credit union faces similar shock

THIS article is being written in the hope that it may warn other credit unions of their duties and liabilities under the withholding tax provisions of the Revenue Act, so that they will not incur the penalty paid by a credit union whose treasurer, called upon in wartime to take the place of a man who had entered the maritime service, "did not know" that he was supposed to make any withholding from his monthly salary received from the credit union.

This man happened to be a bus driver who, like his fellow-employees, was working long hours to keep the system rolling to transport war workers and people who, through patriotism, had put up their private cars for the duration. He just about managed to sandwich in the work on the credit union books so that credit union service should not suffer. When the end of the year came, he went to the Internal Revenue office to make out his income tax on his regular income plus his credit union salary. Then the trouble began.

\$110 Fine

An inspector visited the credit union office and demanded a return for Social Security, with check, which was sent off without consulting our league office. The credit union, being chartered under Federal law, is not liable for either Old Age Benefit or Unemployment Insurance, and is now trying to secure a refund for the tax paid wrongly and practically under duress. The revenue agent took a record of all salaries paid by the credit union since the withholding tax went into effect, and shortly thereafter the credit union was billed for *all* the taxes which should have been withheld, plus interest, plus fines — a total of approximately \$435. They may obtain a refund of about \$325 of the \$435, provided the individuals who received the salaries in question declared them in their income tax statements.

When the 5 per cent Victory Tax was imposed in 1943, and again when

by Agnes C. Gartland

the 20 per cent Withholding Tax went into effect on July 1, 1943, the personal exemption was \$52 per month (\$12 per week). That meant that anyone compensated by the credit union might claim this personal exemption, even though he was already receiving the same exemption on whatever salary he received in his full-time employment. The August 1943 *BRIDGE* made this clear (page 185). Credit unions were urged to make the full 20 per cent withholding, even though this was not required. What was not made clear was that each paid employee should fill out and file with the credit union as of July 1, 1943 Form W-4, obtainable from the Collector of Internal Revenue, to establish his exemption. In the August 1943 issue of the *MASSACHUSETTS CUNA ASSOCIATION NEWS* we also urged our credit unions to make the full deduction, stating further: "Unless the salaried person fills out and signs Form W-4 (obtainable from the Collector of Internal Revenue), no deduction may be made in any case beyond that of a married person without dependents, because the law makes that provision for handling cases where no declaration has been filed with the employer." Again this instruction did not go far enough, because it did not point out that failure to file W-4 with the credit union meant the full 20 per cent *must* be deducted, *no matter what the amount of the compensation*.

Federal credit unions received a long, detailed letter from the FDIC dated July 1, 1943 — FCU74 — setting forth all the provisions affecting Federal credit unions and urging them to secure copies of the necessary forms for filing, and particularly to study Circular WT, obtainable from the Collector's office.

Must File Form W-4

The crux of the matter is that any person receiving compensation from a credit union, no matter how small the amount, should fill out and file with the credit union (the employer)



Form W-4 to establish his exemption status. A new copy of this form should be filed whenever his exemption status changes. The method of determining exemptions was changed by the 1944 Revenue Act, requiring the filing of a revised Form W-4 on or before December 1, 1944 to cover 1945 withholdings. If the employee does not file this form, then the current rate of withholding without any exemption must be made, no matter how little the compensation. In 1945 that would have meant a withholding of 18 per cent of monthly wages of less than \$44 if the employee had not filed Form W-4; in 1946 it means withholding 17 per cent on such amounts, under the same circumstances. If the employee has claimed his exemption, there would be no withholding necessary on monthly salaries of less than \$48. The exact amount to be withheld on larger amounts is shown in a table in Circular WT, obtainable from the Collector of Internal Revenue.

I would personally recommend that every credit union which pays any salaries—except those with full-time employees—should make the full deduction, regardless of whether or not this is mandatory. If at the end of the year the employee finds his tax overpaid, he can claim credit on his tax for the ensuing year, and no harm will be done; if he has other income not subject to withholding, he will simply be that much nearer paid up on his current year's tax, which is all to the good. Be sure, further, that no salary is paid without first obtaining Form W-4 from the employee.

That leaves only the matter of remitting to Uncle Sam. This must be done quarterly (in April, July, Octo-

Agnes C. Gartland is managing director of the Massachusetts Cuna Association.

ber and January) for the preceding quarter. The form for filing the return is Form W-1, and annually in January Form W-3 must also be filed showing total deductions made during the previous calendar year. The individual employee must also be given Form W-2 showing total deductions made from his salary during the calendar year.

Prompt Action Essential

My guess is that many credit unions may be paying salaries without making any deduction for the withholding tax, and without having Form W-4 on file from all paid employees. My advice to them is to rectify that right away. First, secure Form W-4 from each paid employee. If even with this form on file, a deduction should have been made and it was not done, get the matter straightened out at once with the Collector for your district, so that no further interest and fines will be incurred. It would be wise to handle the matter, if possible, through your State League; but act now!

If yours is a credit union which has not yet paid any salaries, how are you going to handle this matter so that when you do begin compensating your treasurer, you will not overlook the withholding tax?

Further, how will your credit union make sure that, with changing officers, this matter will not be overlooked in the future?

How can we keep constantly before all credit unions which have been chartered, or which will be chartered in the future, their liability and responsibility in this matter which may involve—as it did for the credit union mentioned above—an almost confiscatory tax and penalty?

The only satisfactory answer I have been able to figure out for all these questions is to recommend that every effort be made to secure exemption from the withholding tax for all credit unions except those with full-time personnel. I have made bold to send that suggestion to both Cuna and the FDIC, and I hope action will be taken, lest other credit unions, too, find that ignorance of the law is no excuse.

Actions You Should Take

To sum up:

- 1) Get a copy of Circular WT and some copies of W-4 (Rev. 1945) from the Internal Revenue Collector in your district.
- 2) Pay no salaries unless the employee has filed with you Form W-4.
- 3) Deduct the withholding tax on all salaries in excess of the personal exemption, in accordance with table included in Circular WT. Preferably, make the deduction on part-time employees just as though there were no

exemption, even though this is not mandatory in case of small amounts when W-4 has been filed.

4) Remit each quarter amounts so deducted, on forms provided by the Collector of Internal Revenue, with special year-end reports to both the Collector and the employee.

If in doubt, write the Credit Union National Association or your State League.



Bill Mallard

New Cuna Treasurer

WHEN L. LOWELL JOHNSON learned that we wanted a series of biographical sketches of those who joined Cuna's Executive Committee at the May, 1946, meeting of the Cuna National Board he asked for and received the privilege of contributing this introduction of Mr. Mallard. Mr. Lowell was an associate of Mr. Mallard in the Federal Credit Union Section; he is now a director of the District of Columbia Credit Union League. This is the second in the series of sketches.

The credit union career of recently-elected Cuna treasurer, W. P. "Bill" Mallard, began with the Farm Credit Administration as chief of the Credit Union Examination Section. In this position Bill personally made the first examination ever conducted of a Federal Credit Union, gaining experience for the preparation of FCA's credit union examination manual.

Examination work alone, however, did not provide the means for making the best use of his genuine liking for people and his keen understanding of human nature, so Bill was invited to head the field force of the Federal Credit Union Section. Here his talents and analytical thinking contributed materially to the solution of many of the organization and management problems that confronted the Section

during its early days. In this position he saw the organization of 3,000 federal credit unions.

Seeing the pressing need for a better job by supervisory committees, Bill took up the task of doing something about it. He wrote the official manual for federal credit union supervisory committees and the practical pamphlet "Sitting in With the Supervisory Committee." A series of articles Bill wrote on the duties and responsibilities of these committees also contained much on sound credit union practices, and proved highly popular and effective. The instructive training programs for credit union officials, developed and carried out under his leadership, are still remembered throughout the country.

Bill joined the Social Security Board in 1942 as assistant chief of the Training Division. Here he has specialized in management training and his Work Simplification Program has been installed in numerous federal and state government agencies throughout the country. His work in this field has attracted so much attention that Bill has had to take leave from the Government to act as management consultant in such organizations as the Reader's Digest, the City of New York and the American Red Cross. He has also written and co-authored several popular articles and papers on management principles and methods.

In the early summer of 1945 Bill again took leave from his present position to serve for two terms on the faculty of Biarritz American University at Biarritz, France. Here he was professor of accounting in the Commerce Section. A civilian in uniform, he carried the assimilated rank of Colonel.

Returning to the United States and the Social Security Board, Bill took up his credit union activity where he left off. In his own credit union he served first as treasurer and is now vice-president and credit committee member. In 1944 he was elected president of the District of Columbia Credit Union League. During his one year in office his able management put the league on a sound financial basis and resulted in a material growth of membership. He was elected National Director from the District of Columbia this spring.

Bill's pre-credit union experience (he was born in North Carolina in 1903) includes bank management, auditing and teaching. The year he obtained his CPA certificate he collected a medal for having the highest score.

He lives in Alexandria, Virginia, with his wife, Gay, and his four-year-old son, Bill.

This CREDIT UNION NOW COVERS THE WORLD

by David H. Scull

NAME your country, and the chances are good that we've got a member there! Saudi Arabia, Venezuela, Greece, Japan, Germany—it has become just routine to have one of our folks leave for a post in any corner of the world. I am referring to our State Department Federal Credit Union, serving the Department of State in Washington and the Foreign Service of the United States in virtually every foreign country. And we'll meet all challenges for the title of the widest spread credit union in the world!

We started in July of 1935, and for several years pursued a normal credit union existence. There was a very healthy and steady growth up through 1941 when a peak of \$53,000 in loans and \$74,000 in savings (including reserve) was reached. Then along with thousands of other credit unions, we found 1942 and 1943 downhill years, and low points of \$18,000 in loans and \$27,000 in savings were reached in 1944.

Typically "Old Line"

All this time the credit union was serving only the Department of State proper. Of all the Federal Departments in Washington, this was perhaps the most typically "old line"; the average length of the civil service employment was high, the whole Department was small (only 1100 employees in 1940), and a cozy family atmosphere prevailed generally. The same might have been said, without disparagement, of the credit union itself. A board of five directors, following a rather conservative policy, administered affairs with the needs of the permanently established employees primarily in mind, and there was little thought of extending the services of the credit union.

During the last two years, however, the Department has undergone a considerable change, and the credit union has altered no less. Total personnel in Washington has risen to around 6,000

located at the moment in 39 buildings. While some of these employees are engaged in war-caused activities so that there may be some reduction, there is no question but that the Department will remain a sizable establishment. Many of the employees have war-service appointments and many have come in recently with the merger of several of the war agencies with the State Department. The credit union thus has a man-sized job to do in telling its story to all these new potential members.

It is trying to equip itself for this job. The size of the board of directors has been increased twice, first to seven members and then to nine, in order to have room for representatives of a wide variety of employee interest. A leaflet telling the story of the credit union, and illustrated with sketches by a member, was distributed to all employees with good results. The cooperation of the Division of Personnel was obtained so that all new employees are told about the organization in their entrance interviews. A posting and accounting machine is being obtained to enable the staff to handle the mechanical details of any amount of business which may come in. And after several years of being shunted around from one room to another, as the Department expanded and moved around, we have hopes of a relatively permanent home with a made-to-order service counter and everything.

One change which perhaps typifies the newly streamlined attitude of the board is in the name. For years we struggled under the title "U.S. Department of State Employees Federal Credit Union." And if even the "U.S." were left out there was the devil to pay. Now we save time and energy as the "State Department Federal Credit Union," and so far the roof hasn't fallen in on us.

Now Serves Foreign Service

The biggest single development of recent years has been the opening of the credit union to members of the Foreign Service. An article in the American Foreign Service Journal a year ago announced this change.

Memberships and savings deposits have been accepted from all over the world. Loan applications, however, have so far been accepted only from persons who are in Washington at the time. This was felt to be necessary in order that all the conditions of the loan could be fully discussed with the member personally, and all papers completing the transaction could be prepared under our supervision. As a matter of fact, we have been able to help the group which needed help the most, and have strained our present resources to the utmost. Since the end of the war, it has been necessary for the Foreign Service to take on several hundred new employees to staff the embassies, consulates, and legations which were closed for many years. Hundreds of girls have gone overseas as clerks and stenographers. These have had to buy clothes and other supplies to last them for some time, have had to take care of obligations in the United States, and in many cases have had to have funds for traveling expenses even though they could be reimbursed later. The credit union has made loans to more than three hundred of these girls so far.

Federal employees generally are not able to authorize payroll deductions for either savings or loan repayments. However, special legislation permits those serving abroad to make salary allotments. These are used by the credit union as a convenience and to insure regularity of payment. They do not, however, constitute security for the loans, since they may be revoked at any time, so the usual security requirements apply. We feel, however, that they are the next best thing to legal security, since very few borrowers would deliberately cancel an allotment before a loan was paid off. We have had trouble with only one loan.

There is no question but that these Foreign Service loans have accounted for a great part of our credit union's phenomenal growth during the past year. As of March 31, 1946, loans were \$59,680 and shares \$57,650, increases of 187 per cent and 126 per cent respectively in the last twelve months. It has been necessary to withdraw all of our Savings and Loan shares, cash

David H. Scull is treasurer of the State Department Federal Credit Union.



State Department Credit Union 1945-46 directors. Charles Johnson and David H. Scull, treasurer, are flanking the credit union's progress chart. Seated are Jean Kennedy, clerk; Jesse Saugstad, vice president (now president); Margaret Edwards; Carl Corse, president; Betty Mitchell, assistant treasurer; and John White.

in our U.S. bonds, take the ceiling off of deposits, and borrow from other credit unions besides to meet the demand. However, we are still ready to take all comers.

Further Extension Considered

A further extension of service is now under consideration. A letter from the credit union, with an endorsing letter from the American Foreign Service Association, has been sent out by the Department to our Ambassadors at nine of our largest embassies, with a request that they report on the need for loan service among their personnel. If the replies warrant it, we shall probably try to designate someone at each of these posts as our representative and will train him or her in credit union policies and procedures. That representative would accept membership and loan applications and forward them to the Department, and would assist in preparing notes and other forms. He would not handle any money.

Our educational program has consisted primarily in recent months of talks to classes of new foreign service employees. We are raring to go with a program to reach the people in Washington, but the difficulties with office space has held us back. For one thing, until we get properly set up we don't want more business than we are getting; our office is now one end of a large reception room and is not well adapted to efficient operation. For another, if we are to move to a new office in another building shortly we don't

want a lot of CUNA posters and other literature going around with our old address.

The past year has been a good one and an exciting one. But next year—folks, watch our smoke!

Welcome Back

BRIDGE extends inadvertently-late-but-warm greetings to Norman Tracy and B. L. Webster, back from the armed services.

Norm Tracy has decided not to return to his position as managing director of the Wisconsin Credit Union League. Latch Webster is once more serving as managing director of the North Carolina Credit Union League.

Heavens!

HEAVENS! CREDIT UNIONISTS SHOT!

But it's the co-op invasion of the health field in Punta Gorda that's really different. As an aftermath of last year's hurricane, typhoid hit Punta Gorda. Father Ganey jumped into the breach, had his Credit Union Treasurer round up the C.U. members' families and have them all lined up to be "shot." I mean vaccinated. Why? This is hardly the job of a C.U. treasurer. But adds Father Moore quite laconically, "in order that there might continue to be some Credit Union members in Punta Gorda." What a man!—John Peter Sullivan, S.J., in his JAMAICAN COOPERATOR.

Trees for Tomorrow

TREES FOR TOMORROW, INC., a non-profit unit of the Wisconsin Valley papermaking industry—founded to further the state's reforestation, offers two free seedling trees to farmers and to timber tract owners for each tree cut this season. Trees for Tomorrow is also promoting in Wisconsin the idea of forests as living memorials to military heroes.—INLAND PRINTER.

COOPERATIVE for AMERICAN REMITTANCES to EUROPE

WITH THE SHIPMENT OF 8,300 food parcels to Europe, the Seventh Day Adventists have become the largest purchasers of CARE packages, reports Lieut. Gen. William N. Haskell, executive director of the Cooperative for American Remittances to Europe, Inc.

"Adventists have quickly come to the aid of their overseas members and friends and we are tremendously proud of the record they have set. We have just received a cable saying their most recent shipment to Poland of 400 packages has been received and safely delivered to each individual."

The CARE plan which has the government's blessing is a non-profit organization of 24 American agencies engaged in foreign relief, including the leading Protestant, Catholic and Jewish organizations and the two chief groups of American Labor.

Cost of the duty-free package is \$15 and supplies enough food for 30 meals or the equivalent of 40,000 calories. This amount includes packing, shipping and guaranteed delivery or money is refunded.

The package is the Army's former 10-in-1 package which was used to feed ten American combat soldiers for one day. Orders are airmailed to Europe where stockpiles have been established by CARE in each of the ten countries which is set up to receive CARE packages.

Remittance order blanks may be obtained from CARE headquarters, 50 Broad Street, New York 4, N.Y., or at local banks through the cooperation of the American Bankers Association. Detailed information is given on page 18 of May, 1946, BRIDGE.

No Bother

"TWO PENN'ORTH of bicarbonate of soda for indigestion at this time of night," cried the chemist, who had been aroused at 2 a.m., "when a glass of hot water would have done just as well!"

"Weel, weel," returned Sandy hastily, "I thank ye for the advice, and I'll no bother ye after all. Gude night!"

Memo

To:

Credit union leaders



The following statesman-like circular letter, setting forth and facing up to problems now being faced by credit unions generally, was addressed to directors and committee members of Colgate - Palmolive - Peet Employees Credit Union, Kansas City, Kansas, by Austin P. Burch, president of the credit union.

There are a few things I have been wanting to discuss with you for some time, but in our regular Board Meetings we have been crowded for time, just handling routine business. Therefore I am writing you this letter now so you may be thinking and prepared to bring your ideas and suggestions to the Board Meeting.

Recently I made a check of all members' accounts and was somewhat surprised to find so little activity on the "SHARE" side of the ledger. Out of the 375 accounts on our books, 190 were less than \$10 and inactive in 1946. Another 125 accounts, \$10 and over, were inactive in 1946, making a total of 315 accounts on which no deposits were made yet this year. There were 60 accounts on which deposits were made at fairly regular intervals. This means that only 16 per cent of our members have made any effort to save in the credit union so far this year.

We Must Admit

Fellow officers and committeemen, we must admit we are doing a poor job of promoting thrift among our members and this is one of the major functions of a credit union. The Educational Committee and the Board should take immediate steps to improve this condition.

During the war, most of our members were buying all the war bonds they could and no special effort was made to encourage saving in the credit union. Now that many of our members have discontinued buying bonds, what are they doing with this money? Definitely, they should be encouraged to put it in the credit union.

What effect would a savings campaign have on our bank account and surplus?

Regardless of any increases in our surplus, don't you feel that we should serve the best interests of our members and work out something on the problem of surplus money?

Maybe we have been worrying too much about surplus anyway and

maybe instead of having too much money we don't have nearly enough. We don't have to be prophets to foresee a huge loan demand coming up, but there is some guesswork as to how soon.

Production of consumer goods has been retarded by various economic eruptions since V-J Day but some-time things will settle down and all the items we have been needing will be produced, and fast. Then our surplus problem will soon be in reverse unless we build reserve enough to take care of this buying spree. We now have about \$30,000 in War Bonds and cash and our loans stand at about \$15,000. Is this sufficient cash or how much would you estimate we will need to operate properly through 1947?

I am submitting some figures which I believe represent a conservative estimate of the loan demands of our credit union for 1946 and 1947. First we should place ourselves in position to serve more people. We now have 375 members from a potential 700 or about 54 per cent. We should raise this to at least 75 per cent or 525. Of the 375 members 135 are borrowers with an average loan balance of \$110. Assuming that we do increase our membership to 525 and that 50 per cent will be borrowing the present \$110 average, \$28,600 would be required.

More Cash Surely Needed

Out of the 525 members I believe at least 125 will buy either a new car or later model. Placing the average car loan at \$400 would require \$50,000. This leaves the balance of borrowers 135 with the wartime loan balance of \$110. Don't you think the demand for other articles such as radios, washing machines, and clothing might increase this average by at least \$100? If so an additional \$13,500 would be required. The total of these estimated demands is \$91,100. I believe these figures are conservative but if you feel they are not, let's just take 60 per cent of this amount or about \$55,000 which would still leave our present surplus short \$25,000.

How do credit union leaders feel about surplus money compared to future loan demands? Please get your May BRIDGE and turn to the article by William B. Tenney, field representative of CUNA, and read especially the part entitled, "The Best Investment."

Now turn to page 8, and read at least the first two columns of the article by L. G. Sigafos, field secretary for Pennsylvania Credit Union League.

Also, Dora Maxwell, educational director of CUNA, refers to loan de-

mands in her answer to a question on non-resident Share Holders, page 10.

Cliff Skorstad, field representative for CUNA, gave an inspiring talk at the Chapter Meeting, May 8th. He stated that the average credit union does not now have funds enough to meet the loan demands for 1946 and certainly not for 1947. He advised all credit unions to wake up to the possibilities of the future—to set our sights high—to let down the bars—to throw off restrictions—to take all the money we can get—to not turn down money now which might result in turning down loans later—and, finally, to get busy and get the loans. Banks and loan companies are going after the very loans we want—those of our members and prospective members, and unless we work and work hard we will not get our share and will not be serving our members as well as we should.

Let's start now building a stronger and better credit union.

It Seems To Me . . .

"It cost me \$13 because I paid in advance."

You know without reading any further that this didn't happen in a credit union . . . but it did happen to a credit union member. He had a balance of \$1,300 on his home.

He decided to buy a different piece of property and to secure his next real estate loan from his credit union. He liked the credit union's "Loan Insurance" feature, for one thing.

When he came to satisfy his original mortgage he found that he did not have that privilege without paying a penalty. You see, it wasn't "in the note." It cost him \$13 because he "paid in advance."

Well, that was a new one on us. You see, we really are dumb about some of the business practices of this cruel world. We just thought all people were decent enough to extend this courtesy. Having never had any large amounts of money to "invest" we just keep plugging along and if we should scrape up a spare buck or two between babies, hospital and doctor bills and unforeseen expenses, why we just sock them in the credit union. It's there when we need it, it's helping someone else, it's earning a small dividend for us.

Yes, it's all quite simple, but I'm certainly proud to be part of a movement that is out there to "Help" someone else get ahead and not penalize them for "Paying Ahead." We ought to have more credit unions . . . it seems to me. — "Small Fry" in WISCONSIN CREDIT UNION NEWS.

Practical Volunteer Service

**A well-coordinated program
enlists the enthusiastic interest of league directors
to provide New Jersey credit unions outstanding service.**

by C. W. McKeever



THE NEW JERSEY Credit Union League consists of eleven chapters, each with one representative on the league board of directors. In addition, the league has nine directors-at-large, making a total board of 20 persons.

The chapter directors are elected at annual meetings of the chapters, while the directors-at-large are elected for staggered terms by the delegates at the league's annual convention. In this manner, there is always at least a nucleus of old and experienced members on the league board. Officers of the league are elected from among the board members by those members.

While no control can be exercised over the election of chapter directors, each chapter has made excellent selections. Directors-at-large have been selected with great care to insure election of qualified and active men. Whether it is because of the method of selection, or just good luck, the league board of directors has consisted of qualified, active and interested men who are anxious to do a good job.

Director Responsible

The chapter director and the director-at-large are responsible for the servicing of existing credit unions, organization of new credit unions, and all credit union activity within their sphere of influence. The managing director of the league acts as a coordinating agent, and all requests for action are passed on by him to the chapter director, or director-at-large

in the area where the required work is to be done.

The managing director is only on part-time basis, but a full time secretary is employed in the league office, to handle telephone calls, stationery orders, and correspondence. This procedure permits the managing director to handle those matters which require his personal attention without the necessity of much traveling.

In New Jersey, the league office has close contact with the State Banking Department, which has supervision of state chartered credit unions, and with the Federal Deposit Insurance Corporation office in New York City. Requests for all information in respect to credit unions or their organization are referred by these agencies to the league office. The league office picks up from that point and, if necessary, then refers the matter to the interested league director for attention in the field. In the case of a new credit union, either the managing director or, in most cases, the league director collaborates with the supervision representative in bringing the new credit union into being, by attendance at the various pre-organization and organization meetings. No organization meeting is held without a representative of the state league, either in the person of the managing director or a league director, being present.

During the organization meeting, the privilege of the floor is given the league representative to explain league and chapter activities and functions.

92 Per Cent Membership

When a new credit union is organized, the initial order of stationery is forwarded to the league representative attending the organization meet-

ing. He delivers it in person at that meeting. This presents an opportunity to explain the functions of Cuna, Cuna Mutual Insurance Society and Cuna Supply Cooperative. The minimum dues to the New Jersey Credit Union League is \$5 and usually the discount on the original stationery order for being a state league member exceeds this minimum. This presents an argument for joining the league. Experience has shown that a credit union joining the league upon organization continues to be a member. There are a total of 235 credit unions in New Jersey of which 216, or 92 per cent are league members.

This distribution of normal State League field activities among the various directors not only saves much traveling expense but also provides a distinct advantage. It is often easier to sell the credit union idea when it is presented by a volunteer, who may be known to the interested group, than when it is presented by paid personnel.

However, to make such a plan successful, the directors doing the volunteer work must be sincerely interested in the promotion of the credit union movement, and not in personal gain. They must also be qualified to meet the various problems which may arise, and have the ability to discuss the problem with the sponsors.

In New Jersey, the league directors serving as volunteer field men receive only out-of-pocket expenses, usually in the form of mileage at the rate of four cents per mile actually traveled. But while many have been performing this type of service for the past eight years, they are still enthusiastically carrying on for the benefit of the league and their fellow men.

C. W. McKeever is a director of the New Jersey Credit Union League and a vice president of the Credit Union National Association. Henry Stricker, Jr., is managing director of the league.

What About It?

by Dora Maxwell

Answers to your credit union questions
by Cuna organization and education director

Borrow or Withdraw Shares

QUESTION (FROM CONNECTICUT):

A member who has \$50 in his share account and a loan balance of \$150 wishes to withdraw \$45 from his share account. Should we try to discourage him from withdrawing share account and suggest he increase his loan?

ANSWER:

Each case should be judged on its own merits; however, it is generally the best practice to encourage a member to leave his share savings intact and increase his loan. If his current income is sufficiently large to repay the loan within a reasonable time it is to the member's own advantage to increase his loan rather than withdraw his savings. This is particularly true where the credit union has Loan Protection Insurance.

Charging off Bad Debts

QUESTION (FROM CALIFORNIA):

A borrower is laid off and after a long period is not able to pay his loan, so that it becomes necessary to write off the loan to the Reserve Fund. Is it proper to include the accrued interest on the account in the amount to be charged off to the Reserve Fund?

ANSWER:

No. Only the amount due on the principal of the loan may be charged to the Reserve Fund.

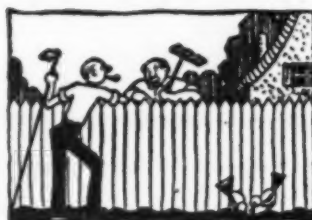
Wife Assumes Note

QUESTION (FROM ALBERTA):

In August, 1945, member Henry Thompson (assumed name) made a loan of considerable amount from our credit union. At the time the loan was made, we had no coverage by Loan Insurance. Through accident Henry passed away in November after making two regular payments on the 24-month loan. Mrs. Thompson has been faithful in carrying on loan repayments and at the present time the account is in good status.

At the last Annual Meeting, the membership voted to cover all outstanding loans with CUNA Loan Insurance, this coverage becoming effective March 1, 1946. Is Mrs. Thompson's loan balance covered by Loan Insurance? If not, what can be done to provide coverage?

As membership in our credit union is limited to company employees and their dependent families, and as Henry is not now employed by the company but would have been save for the ac-



You are invited to submit your questions on any credit union problems to this department. You are also welcome to contribute your own ideas on the answers printed here. What's on your mind?

cident, would it be advisable to have the whole account transferred to Mrs. Thompson and a new note signed. As we understand the regulation, only the signer of the note is covered by loan insurance. Will you kindly give us your answers to these pertinent questions. A reply by letter as well as through your page in the BRIDGE would be appreciated.

ANSWER:

As we understand it, the wife is not at present a member of your credit union, neither was she the initial borrower of the money. Therefore she is not covered by the insurance. If she became a member of your credit union, made application for a loan in the amount of the unpaid balance of her husband's loan and signed a new note, she would be a proper borrower and would be covered by the contract.

Directors Borrowing

QUESTION

The combined equity of our credit union is \$1,100. We have three members who are directors, and who will want loans for new automobiles, and their total loans will amount to about \$2,000. Is there a set-up whereby these three members are able to borrow that amount without resigning from the board? These men are donating their services as directors, and we feel it is a little unfair to have them resign or force them to borrow less money than they need in order to come under the \$1,100.

ANSWER

We are not sure just what is meant by the term "Combined Equity." Your law permits directors to borrow up to the amount of their share holdings. If the desired loan exceeds this amount, then we suggest they investigate the possibility of becoming members of the chapter credit union which serves

your territory. Further than that, we have the CUNA Credit Union here in Madison to which these directors could belong and receive usual membership service, including loans.

Automobile Loans

QUESTION

On automobile loans we are permitted to loan two-thirds of the cost of the automobile. Would it be permissible to add the cost of the insurance to the cost of the automobile and then loan two-thirds of that amount, or should the borrower pay for the insurance. If the insurance is added to the total amount, what bookkeeping procedure would be necessary to pay the insurance premiums.

ANSWER

Under Regulation W, the restriction regarding maximum credit on automobile loans refers to the sale price of the automobile. You may add the entire amount of proposed insurance to the loan in addition to the two-thirds of the purchase price on the automobile itself.

It is possible under your procedure to allow your member to use the money with which he expected to purchase insurance to complete the required down payment on the automobile and receive the insurance money as an addition to his loan. In such case, the automobile portion must be repaid within fifteen months and the insurance within eighteen months. There is no special bookkeeping procedure necessary other than a division of the payments so that the automobile portion will be paid within the required time and the entire loan within eighteen months.

Age Limit on Insurance (Two Questions)

QUESTION (FROM NEW YORK):

A question was asked me the other day with respect to the Cuna Mutual AA contract which created a doubt in my mind. It had to do with the fact that the insurance terminates on a loan if a borrower reaches his 70th birthday. From a practical point of view, let us assume that a member procures a loan at the age of 69 years and six months. When he reaches his 70th birthday, he has only repaid 50 per cent of the loan. The credit union must notify the borrower and the endorsers, if any, that the loan is no longer insured. If the borrower should

misstate his age or the treasurer should overlook this matter then the credit union is put in an embarrassing position in the event of the death of the borrower.

If I am correct about the termination of the insurance, then I would appreciate learning what thought is being given to liberalizing same so that all loans may be covered where the borrower has not reached his 70th birthday.

ANSWER:

You will recall that originally our Loan Protection contract contained a clause allowing coverage on loans granted "prior to age of retirement." Later this was changed to allow coverage on loans granted prior to age 65 but all coverage would terminate at age 70. The latest change eliminated the age 65 restriction and affords death coverage on any loan granted prior to the 70th birthday of the borrower, but all coverage would automatically terminate when the borrower attained age 70. This latest revision appears to be fairly liberal and extends coverage beyond the age usually included in group contracts. It is also felt that continuing coverage to age 70 automatically covers the majority of credit union loans and frankly it is not anticipated that coverage will be extended beyond that age in the near future. The board of directors of the CUNA Mutual Insurance Society, in cooperation with management, spent a great deal of time discussing the age restriction of the contract and it seems to be the consensus that age 70 is about as far as coverage can be extended.

QUESTION (FROM UTAH):

We have a loan application from a member who is over the age limit for loan protection. Is it right for us to make this loan if the borrower can obtain a co-maker?

ANSWER:

We would very much hope that your credit committee would not refuse to make a loan to an individual who is over the age limit to qualify for borrower's protection insurance, particularly if the co-makers are willing to assume the obligation in case the borrower for any reason, can not pay himself.

Prepaying Loan Installments

QUESTION (FROM DELAWARE):

The treasurer of our credit union has always accepted payments on loans in any amount the borrower wishes to pay more than the regular monthly payment. We have always felt that a borrower who did that has a better credit rating than one who

did not make the effort. Should a treasurer refuse to accept more than a specified monthly payment on a loan?

ANSWER:

If a credit union borrower wishes to repay a loan faster than he agreed, it should be accepted. He would save interest by increasing his payments on the principal and certainly the credit union should encourage him in this procedure. Of course, it gives the member a better credit rating. Credit unions which deduct interest in advance however, must rebate interest on the prepaid loan installments.

Bonds as Security

QUESTION (FROM UTAH):

May I use my bonds to secure my loan?

ANSWER:

You ask if you may use your "Bonds" to secure your loan? You do not state what type of bonds. If you are referring to "War Bonds" the answer is "No," as they may not be pledged. It would be up to the credit committee in the case of other bonds to determine whether or not they are adequate security.

Fidelity Bonds

QUESTION (FROM OKLAHOMA):

Will Cuna Insurance Research write a bond for a member of this credit union who is driving an armored truck? Does Cuna Insurance Research write bonds for members like this which will help the credit union and be of service to the members?

ANSWER:

Cuna Insurance Research can not write bonds covering members of credit unions other than credit union officials and employees. However, our carrier, Lumbermens, will be very glad to handle these and allow us some credit for such bonds.

Special Meetings

QUESTION (FROM DIST. OF COLUMBIA):

When a special meeting of the Membership is called, can any business be considered except that specified in the notice of the meeting?

ANSWER:

No business can be considered in the special meeting except the business

specified in the notice of the meeting sent out to each member. Therefore, a Credit Union should be careful to include in the notice of any special meeting all the business which they wish to transact at the meeting.

Filling Vacancies

QUESTION (FROM FLORIDA):

Recently the president of our credit union resigned, leaving the office vacant, and it became necessary for the board of directors to elect a new president. The man elected to fill the vacancy was already a member of the credit committee. Would it be necessary for him to give up one of these offices?

ANSWER:

The requirements of various credit union laws differ in regard to directors and committee members. However if it is permissible under the law under which you operate there is no reason why an officer could not also be committee member. Frequently the treasurer is a member of the credit committee. However, it is best that the supervisory committee members should not serve on either the board or credit committee.

Mortgage Loans (Three Questions)

QUESTION (FROM BRITISH COLUMBIA):

Should credit unions loan to members for long terms on mortgages?

ANSWER:

Where the laws permit, this should be a part of the service extended to members as soon as a credit union has sufficient surplus over and above its small loan needs. This is being done in some credit unions with great success. Mortgage loans should be repaid on a periodic basis, monthly usually, and not more than 15 or 20 per cent of the credit union funds should be tied up in this type of loan.

QUESTION (FROM BRITISH COLUMBIA):

What rate of interest should be charged on mortgage loans?

ANSWER:

The going rate of interest in your community, somewhere around 5 or 6 per cent, simple interest.

QUESTION (FROM BRITISH COLUMBIA):

What type of insurance should be carried on mortgage loans?

ANSWER:

The usual protection against fire should be carried. In addition to loan protection, the borrower should be encouraged to carry a matching home protection policy, which he pays for himself, so that in case of death the home would be free and clear for the family.



IDEA



EXCHANGE

Here are some ideas credit unions have already used successfully plus some BRIDGE suggestions which you may want to try out as-is or adapted to meet your particular needs.

As a matter of fact, credit unions and credit union organizations affiliated with Cuna may list any BRIDGE items freely for their publications and releases. All others should observe the copyright and obtain written permission from BRIDGE before reprinting material. Suitable credit should, of course, be given in the case of signed articles and illustrations. BRIDGE need not, however, be mentioned as the source of the material, although where it seems suitable to do so, this will be appreciated.

Suggestions for Use

We hope credit union officials will find these suggestions helpful in preparing informational materials about the services their credit union offers their members. These may be used—either without change or adapted to special uses—in payroll inserts, circulars, blotters, posters, bulletins, advertisements, company house organs, or other appropriate mediums at hand.

The illustrations may be traced on mimeograph stencils, reproduced directly by a photo-offset process, or made into linecuts for the standard letterpress printing.

Each release should, of course, also contain full directions as to when and where credit union service may be obtained. The name of the credit union, its location, its business hours, and any other helpful information should be given.

Please

BRIDGE would greatly appreciate receiving copies of any and all publications credit unions issue, so that it may know what credit union people are finding most effective, and so that it may pass on to others good new ideas developed.



☛ Them that has china plates themselves is the maist careful not to break the china plates of others.—J. M. Barrie.



School bells will ring

When cash is hard to find:

"Ding, dong, ding—

Shoes, clothes, everything!"

Wise parents do not mind.

They say, "Let the bells ring;

For extra cash

A credit union loan

Is just the thing."

Mats of above feature may be obtained for 30 cents each. Write Editor, Bridge, Madison 1, Wisconsin

School Is Fun, II

Mary and John will enjoy school and learn their lessons well—if they have healthy bodies, if they are properly clothed, and if they have the necessary books and materials.

If you lack extra money to buy needed glasses or other school aids—don't forget the confidential, convenient, low-cost loan service offered by your credit union.

Your credit union is here to serve you.

No Gold Digger

She did not marry him for his money. She was thoroughly, oh so thoroughly, in love with him. No doubt about that you would admit if you ever saw her return his devoted look.

But she admitted that his credit union pass book with its long list of regular pay day deposits would help them get off to a good start.

And they agreed that this habit of regular visits to the credit union must continue—to help them accumulate funds for their new home, their new car, their children, their children's education, and so forth.

And they both liked the fact that they could always get a handy, confidential, low-cost credit union loan when they needed extra cash.

Beautiful Is—

Beautiful is fine machinery with gleaming steel and brass, with whirling wheels and plunging pistons; the perfect brotherhood of part with part.

Beautiful is the harmonious blending of the hearts and wills of fellow workers into a strong efficient machine of which we may well be proud—OUR CREDIT UNION.

Balzac said, "I do not consider the bill broker as one of the human race." This condemnation was no doubt inspired by the 100 per cent interest charged by the loan shark of his day on loans to the peasantry of France.

We do not believe in serfdom and the present loan shark who feeds too well on the blood money of workers should be consigned to the dark past.

Many borrowers have found the credit union a safe and convenient place for their savings, and when their loan has been paid off have continued to make regular deposits resulting in a substantial account on which they have never failed to collect an annual dividend regardless of the prevailing economic conditions.—"MUSING MEMBER" in the O. C. POSTAL FEDERAL CREDIT UNION NEWS, Oklahoma City, Oklahoma.

Credit Union

Teachers may again avail themselves of the following convenient service: Loans may be arranged for now with the treasurers, Charles Shields (at the Fire Hall) or Hilbert Kath (at the Administration Office), of the credit union, to be mailed to any teacher to any place this summer. Interest rates do not become effective until you ask that any pre-arranged loan be mailed you.—Bulletin issued by Superintendent of Rochester, Minnesota, Public Schools in May.

☛ A fitting motto for the coin of the realm would be "Abide With Me."

IDEA EXCHANGE

In a Nut Shell

Here in few words is a remarkably comprehensive statement of credit union history and service offered. It is taken from a mimeographed circular issued by Sheil School Credit Union, Chicago, Illinois.

SHEIL SCHOOL CREDIT UNION

President, George Drury; Vice-President, James Muench; Secretary, Armella Moran; Treasurer, Ernst H. Ludwig, Jr.

DIRECTORS: Robert Burns, Edward Joyce, Chas. Smith, George Schuster, Mildred Rigoni.

April 1, 1946

To our Members and their Friends:

Here is an ideal plan that combines a SAVINGS ACCOUNT, LOAN SERVICE, and INSURANCE BENEFITS, all in one simple idea and on a scale that fits a working-man's income, coverage applying to the following group:

- All Share Payments up to 55 years of age—100%
- All Share Payments up to 60 years of age—75%
- All Share Payments up to 65 years of age—50%
- All Share Payments up to 70 years of age—25%
- All Share Payments over 70 years of age—None

Be Wise and SAVE: Share payments are covered in the above manner to a limit of \$1,000 through the CUNA MUTUAL INSURANCE SOCIETY, owned and controlled by over 5,000 Credit Unions throughout the United States, Canada, and the Hawaiian Islands.

LOANS under this plan are insured against death of the borrower so that his estate or cosigner is not obligated for the unpaid balance of the loan. You can build up an Estate by making a LOAN through the Credit Union.

BENEFITS of this plan are yours, because the Premium on both the LIFE SAVINGS AND LOAN PROTECTION PLANS ARE PAID BY US, with no cost to the members. This benefit is equal to a 2% Insurance Dividend.

Here is a summary of OUR PROGRESS made during the first 6 months of operation:

Mem- 1945	Share Balance	Borrow- ers	Loan Balance
Sept. 23	1,892.00		
Oct. 122	20,504.30	50	18,433.50
Nov. 162	24,988.52	73	24,653.00
Dec. 205	41,547.77	92	28,347.00
1946			
Jan. 258	52,817.55	127	40,289.00
Feb. 303	61,779.54	158	50,892.00
Mar. 350	71,546.14	181	59,023.00

We make no distinction as to RACE,

COLOR, OR CREED in our Membership. New Members can join any time, and the registration fee of \$1.00 includes subscription to both the C.Y.O. Voice and THE BRIDGE Magazines. SAVINGS ACCOUNTS are safe, LOAN SERVICE with a Smile, and INSURANCE BENEFITS worthy of your consideration. The treasurer will be glad to help you in strict confidence with your financial problem. CREDIT UNION BUSINESS HOURS ARE:

Wednesdays—4 p.m. to 7 p.m., 31 E. Congress St., WAB 1159.

Monday to Friday—9 a.m. to 1 p.m., 2936 No. Southport Ave., GRA 4301.

REMINDING YOU that your DOLLARS saved in the SHEIL SCHOOL CREDIT UNION will give them more CENTS, we are,

Yours for CREDIT UNION SERVICE,
ERNST H. LUDWIG, JR.,
Treasurer.

The Credit Union and Your Budget

"If I tried to write down all my expenses, I'd go crazy!" Perhaps if more of us did write down our expenses, did make a habit of budgeting, we wouldn't approach this mental danger!

Yes, if thrift, regular small savings, is the foundation of our credit union, then our budget must be looked over. What if you can't find a shilling to lay aside; what if you are in such straightened circumstances that your pay honestly can not meet your living needs? Frankly, then, the credit union cannot help you and you are bound in conscience to see your employer.

But 99 times out a hundred, with the average person this is not so, and this is the person we can help. How many times don't we waste precious nickels and dimes on foolish pleasure? How many of us boldly face the facts of our financial condition, and so do not incur mind-destroying debts which we make in order to live above

our means and pull the wool over the eyes of our neighbor, who may be in the same ironic situation?

Suppose you can't save, precisely because you are paying off too many scattered debts. Enter, the Credit Committee! Their duty is not only to make loans, but to help by deep understanding of members' difficulties in the reformation of their spending habits. Perhaps they can settle your debts for you all in one lump sum, and help to put you back on that rosy road where budgeting is not a symptom of insanity!—THE COOPERATOR, published by Holy Redeemer Credit Union, Belize, British Honduras.

Can You Match Them?

The portraits of each of the presidents named below are on one of the denominations of United States Currency given, but not necessarily on the denomination listed on the same line. Can you match each portrait with proper denomination?

Jackson	\$ 5
Madison	50
Hamilton	1,000
Cleveland	1
Franklin	20
Lincoln	5,000
Jefferson	10
Washington	10,000
Chase	500
McKinley	100
Grant	2

ANSWERS

Jackson, \$20; Madison, \$5,000; Hamilton, \$10; Cleveland, \$1,000; Franklin, \$100; Lincoln, \$5; Jefferson, \$2; Washington, \$1; Chase, \$10,000; McKinley, 500; Grant, 50.

The School Day Mystery

The Mystery: How is the Town's Prize-Mother able to send her brood

THINKING of buying a new Car on the Installment Plan?



WHEN YOU BUY A NEW CAR, IT'S A GOOD IDEA TO LOOK BEYOND THE MONTHLY PAYMENTS — AND FIGURE JUST WHAT YOU ARE ACTUALLY PAYING FOR THE CAR. A LOAN THROUGH THE CREDIT UNION WILL SAVE YOU MONEY IN FINANCING THAT NEW CAR. AND THE LOAN IS INSURED WITHOUT COST TO YOU.

WILLIAM F. JACK

TREASURER

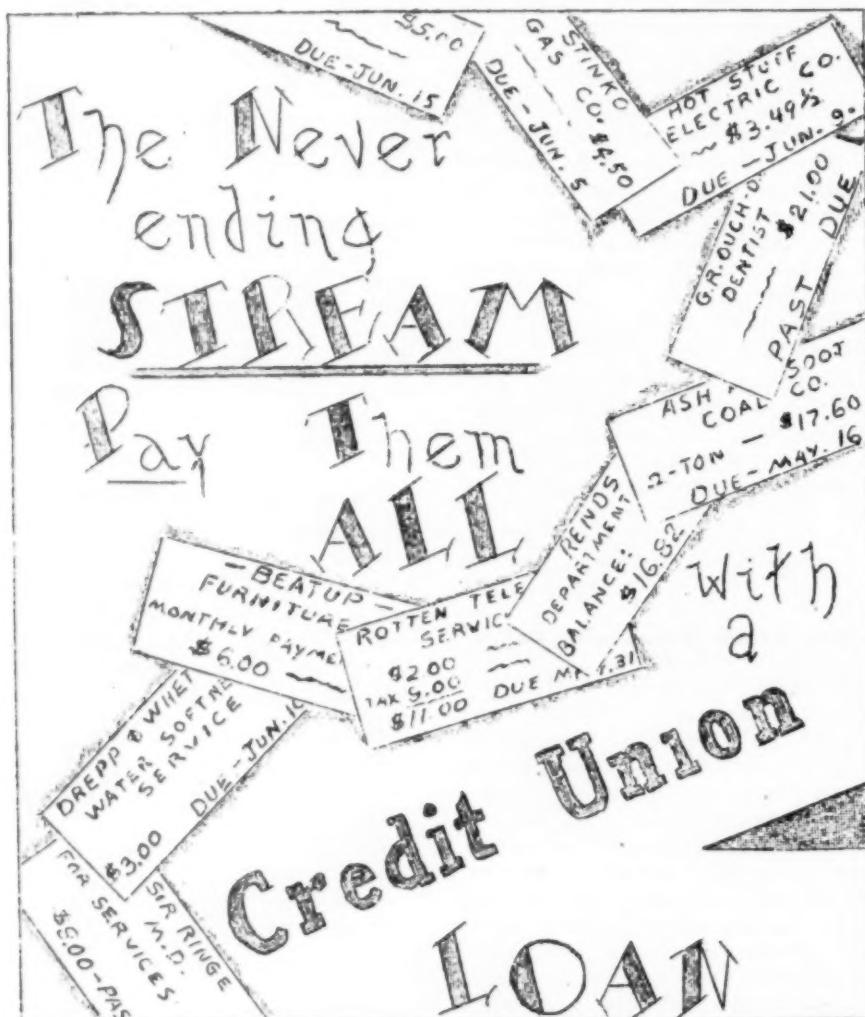
TROTT VOCATIONAL SCHOOL

RESIDENCE PHONE 3147-J

NIAGARA FALLS N Y

YOUR CREDIT UNION IS ORGANIZED TO SERVE You

Blotter issued by Niagara Falls (New York) Teachers' Federal Credit Union



Back page of bulletin issued by Cameo Federal Credit Union, Springfield, Ohio

of children to school so warmly and attractively dressed?

Detective I. C. Itall reports: "She budgets something each pay day in her credit union account for children's clothes, and takes advantage of clearance sales, and makes many of the children's clothes herself.

"Furthermore she does not hesitate to take advantage of a credit union loan if it will help her get better bargains, or when her savings won't quite fill the bill.

"A credit union loan is convenient, confidential and economical. Your credit union is on hand to serve you."

Prognosis

1946 is going to be a whale of a year, and we don't mean whale, either.

When the stuff that we all want really starts pouring off the assembly lines, there's going to be some fancy dealing, as fancy as the law will allow, and probably some of it more so.

Not only will the Credit Union be a source of reliable credit for those of

us who want to buy, but it will be an equally reliable source of information about other sources of credit, including the seller of the merchandise—the so-called installment dealer.

We used to go right out in front and say that, if a member doesn't want to pay cash in full right out of his pocket for something, he can finance it with far greater advantage to himself through his credit union than he can from any other source.

That has been disputed so often, and proved so often, that we no longer need to say it. The chief need seems to be for a jog to the memory.

Members, when next you hear the sweet spiel of the finance company, the "budget payment" expert, or of the "deferred charges" analyst, just hold off long enough to phone or call on Mrs. Francis or some member of the credit committee.

Because this is both true and fundamental:

YOUR CREDIT UNION WILL NOT LEND YOU MONEY IF YOU CAN DO BETTER SOMEWHERE ELSE. YOUR CREDIT UNION IS THE

ONLY ORGANIZATION YOU CAN ASK FOR A COMPETENT, DISINTERESTED ANALYSIS OF WHAT FINANCING COSTS REALLY ARE, EITHER OF ITS OWN LOANS OR OF SOMEONE ELSE'S.—Kent Francis in *THE WORKING DOLLAR*, published by North Shore Cooperative Federal Credit Union, Evanston, Illinois.

Wishing

I would I were beside the sea,
or sailing in a boat,
With all the things I've got to write,—wrote!

I would I were on yonder hill,
a-basking in the sun,
With all the things I've got to do,—done!

I would I were beneath a tree,
a-sleeping in the shade,
With all the bills I've got to pay,—PAID!

The loan department of the credit union was created to help you pay those bills on time. Most working people need extra cash at various times to help them out of difficult spots. This is the real function of the loan service. It was not intended to make a spend-thrift of anyone.

To re-state an often mentioned fact; Systematic Saving is the best and easiest way to have that extra cash when you need it most!

America has over a million really rich families, over 15 million comfortably rich ones. And there are other millions who know that they need never know real want.

All but a fraction of these fortunes have been made by working folks, starting with nothing. Savings multiplies your money just as extravagance lessens it.

Here is one example of extreme thrift.

"Stand behind your lover," said the Scotchman to his unfaithful wife, "I'm going to shoot you both."

The habit of saving gives you other good things; self-respect and the respect of your trades-people; interest in your own future; knowledge of investments—war bonds, real estate. You can't afford not to save a little each pay-day. TRY IT!—Pete Stewart, in *CAMEO NEWS*, published by Cameo Federal Credit Union, Springfield, Ohio.

Want To Make Some Money?

Got a circular from a loan company the other day, and they wanted to loan me some money. They offered to let me have a hundred bucks and I could pay it back at the rate of \$18.02 a month for six months, or \$9.23 a month for twelve months, or \$6.31 a

IDEA EXCHANGE

month for eighteen months. Sounded like a good proposition to me, but to play safe I got out my pencil and did some figuring. I found that the six months proposition would actually cost me \$8.12, the twelve months plan \$10.76, or, if I chose the eighteen month plan, it would cost me \$13.58.

I figured some more and found I could make myself some money by borrowing from the ESEO because any one of the three plans could be used on an ESEO loan and the cost would be less than the Loan Company was asking. If I borrowed \$100 from the ESEO for six months it would cost me only \$3.50, for twelve months the total cost from the ESEO would be only \$6.50, and for eighteen months from the ESEO the cost would be only \$9.48. It would be kind of silly to borrow from the loan company under those conditions, now wouldn't it?

Why not let the ESEO, your own financial institution, finance the purchase of those things you want to buy? The cost to finance the purchase of a car, if you can find a car, runs even less and you can borrow as little or as much as you need, when you need it. *I almost forgot to mention that you also get from your ESEO, free loan insurance.* That insurance isn't hay as anyone knows who has had to buy term insurance to protect a loan. You also get a dividend on your savings at the end of the year. Believe me, you can't beat it.—ESEO REMINDER, published by E.S.E.O. Federal Credit Union, Oklahoma City, Oklahoma.

Wise Men Say—

❏ A lie stands on one leg; truth on two.—Benjamin Franklin.

❏ He is bad that will not take advice, but he is a thousand times worse who takes every advice.—Irish Proverb.

❏ There is one defense against the atomic bomb. That defense lies in our mastering this science of human relationships all over the world. It is the defense of tolerance and understanding, of intelligence and thoughtfulness.—Harry S. Truman.

❏ People are lonely because they build walls instead of bridges.—Joseph Fort Newton.

❏ Bad officials are elected by good citizens who do not vote.

❏ Save a penny for every mile you drive your new car and you will be able to buy the next car without credit.

Are You Buying a New Car?

Some new cars have been released and dealers are hopeful of having more in the near future to supply the demand for modern means of transportation. What better time to build

up a savings account for that down payment.

If you could get a new car tomorrow you would have to have a down payment or trade-in and your payments on the balance would start immediately. Why not estimate how much the payments on the car you desire will be and put that amount monthly in the credit union? Then when your dealer calls you and says, "O. K., John, your new Super Duper Six is ready for you," you will be ready. And be sure to discuss financing the balance with the Credit Union. **WE CAN SAVE MONEY FOR YOU.**—O. C. POSTAL FEDERAL CREDIT UNION NEWS, Oklahoma City, Oklahoma.

'Round About

The Credit Union Movement

❏ The address of the Florida Credit Union League has been changed to Box 643, Tampa 1, Florida.

❏ The ten federal credit unions in the

Niagara Hudson power system have over 5,000 members; have loaned almost \$5,000,000; were subject of featured article of the Spring Number of the NIAGARA HUDSON NEWS, a slick-paper magazine published in Syracuse, New York.

❏ Alberta credit unions increased their loan outstandings more than \$118,000 during April, an increase of over nine per cent.

❏ Directors elected at the 1946 annual meeting of the South Carolina League are: G. S. Kester, president; D. A. Bramlett, vice president; W. H. Newman, secretary-treasurer; J. T. Milton, L. W. Ingram, Virginia Buist, Mrs. Sue Y. Johnson, J. W. Whitmire, L. R. Garren, and H. L. King. J. G. Thomas is managing director.

❏ Milwaukee County Credit Union Association, Wisconsin, holds Eighth Annual Credit Union Golf Tournament and Mid-Summer Get-Together Jamboree.



ARE YOU PLANNING TO
TAKE A TRIP?



ARE YOU PLANNING TO
ATTEND SUMMER SCHOOL?



ARE YOU PLANNING TO
STAY HOME AND REST?

WHATEVER YOU DECIDE, BY ALL MEANS TAKE ADVANTAGE OF YOUR CREDIT UNION. THIS IS YOUR FINANCIAL ORGANIZATION WHICH STANDS BY TO HELP YOU SAVE OR TO PROVIDE ECONOMICAL LOANS. YOU ARE INVITED TO CALL AT THE OFFICE BEFORE JUNE 5, 1946.

DUVAL COUNTY TEACHERS' CREDIT UNION

605 OCEAN STREET.
TELEPHONE 5-7703

4-5 P.M. WEEKDAYS
10-12 A.M. SATURDAYS

There is still time to bring vacation loan business to your credit union



History Lesson

THE STATE OF WISCONSIN had enacted a credit union law in 1913 at the request of President Taft, but not one credit union was actually organized until 1923.

Why? It took someone to explain the significance of credit unions; someone to arouse a credit union consciousness; someone to build faith that credit unions could be organized by and for the welfare of groups in Wisconsin.

Only two were organized in 1923 following contacts and successful efforts to amend the existing law. Four were organized in 1927. Today there are over 500 credit unions in Wisconsin.

Each credit union has its history in which the idea was introduced, the consciousness of the group aroused and the faith to try it established. Up to this point the progress made relates closely to the organized efforts and enthusiasm of a few outstanding individuals. The great significance however is that the member, the credit union, the league, the national association have become part of a mass movement, with mass thinking, mass support, with machinery for correcting and improving the service, with mediums of providing essentials to all credit unions. Its people, its program, its support comes from the ranks.

As is the case with other great social movements whose purpose is to benefit the little man, it is natural that a great many members blindly accept their credit unions as a part of their surroundings. No conscious thought is given to whence it came or the source of its sustenance. But this is a vital question for all to consider who are elected to the Board of Directors. Theirs is the job to maintain the trunk and the branches of the tree so that the roots may continue to live. The credit union board of directors selects delegates to the state credit union league; it provides a portion of earnings to pay expenses; it authorizes payment of dues; it makes the program through delegates and supports the decisions of the majority. The understanding and loyalty of the board members is essential to the overall welfare of the member, the credit union, the league, and the national association.

We may not stop to realize what made the good things of the particular

credit union possible; or the thousands of hazards it has been piloted through with the long established experience of the credit union movement; or the present unwary difficulties and weaknesses we face. But we each can review our growth, from which we will come to realize how our particular credit union fits into the whole picture. Our credit union, our state league, and our national organization are too valuable not to be supported.

Every non-member director should ask himself now: "What made this credit union possible?" "How did credit unions manage to continue through a century?" "How do they meet the tides of change?" and "Have I the right to avoid being for, working for, supporting and participating in the movement?" — LEAGUE REPORTS, published by Louisiana Credit Union League.

Unexpected Market

THE DEVELOPMENT of the Tennessee River is bringing about surprising changes in the lives of the people of that region. Not only are those close to the river affected, but the river influence is felt by manufacturers in Michigan, New England and other parts of the country.

That region was never thought of as a recreational area until all those dams were built. Now fishermen are crowding into the place. From one lake alone, in 11 months, approximately \$50,000 worth of spoonbill sturgeon was caught. It is expected that when the lakes are fully developed, the income from fish will run into the millions.

At Gunter'sville, a year after the reservoir was filled, they decided to hold a regatta. They thought they might attract a crowd of 10,000. More than 70,000 came. A brand new market for sail boats, speed boats, canoes, row boats and all sorts of water craft is now in existence.

The six national forests within the valley will attract hundreds of thousands of visitors. Already people from all parts of the world have come to see what has been accomplished. The TVA is one of the great contributions to the welfare of the nation.—THE CURTIS COURIER.

Descent of the Gods

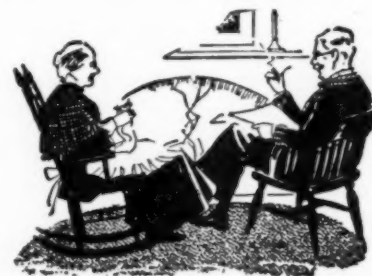
"Man is superior in many ways, and lower than the ants in many others. He can fly in the air, swim under the sea, fling his voice across the sea, turn night into day with filaments, grind lenses that draw the moon down till its mountain peaks are only twenty miles away, take pictures of men's insides, send heat and light or horse-

power across four hundred miles of desert in a copper wire, listen to the thought of seven continents by fingering a knob, or plat the yawning heavens with a trigger hair and tell you twenty thousand years ahead what second of what minute of what hour of what day the sun will be eclipsed, and where the creeping shadow will be seen, and teach fleas to dance.

"Yet give this wonder man a simple problem such as how to keep from killing several million other wonder men just like him each twenty years or so, and he is baffled and destroyed.

"This man who understands the vast complexity of logarithms and who has the formula for harmony and chemistry, the logic of hydraulics, stress and strain, just give this man the problem of some surplus livestock on the one hand, and some hungry men who cannot buy that livestock on the other, and he will fume and fret and make up laws and regulations, and then finally destroy the livestock and leave the hungry men still hungry.

"This man who knows more than the gods do of the spectrum of the stars, who comprehends the structure of a leaf, splits atoms, traps whales, counts molecules, knows not enough to grasp the simplest truths and bend them to his will. He hails the Golden Rule as golden, and puts it on a shelf to be forgotten, and makes new rules of lead—but I shall not despair. For man has in him all the seeds of his own betterment, and one day they shall sprout. When that day comes the vine shall reach to heaven, and the gods climb down."—Canadian Workshop Program, C.B.S.



Once Upon A Time

Twenty Years Ago In Bridge

▲ Assets of New York credit unions increase by more than \$1,500,000 in year. These 120 credit unions have 68,000 members with more than \$10,000,000 in assets.

▲ BRIDGE to go on subscription, self-supporting basis.

▲ Thomas W. Doig reports successful credit union organizational activity in Minneapolis and St. Paul.

Ten Years Ago In Bridge

▲ Almost every studio in Hollywood has or plans to have a credit union.

¶ Cuna Mutual Insurance Society celebrates first birthday. Total coverage exceeds \$11,000,000.

Five Years Ago In Bridge

¶ Harold Schroeder tells of visit to Canal Zone Credit Union.

¶ Al Sheeley, Wisconsin, new Cuna executive committee member, is subject of featured word portrait.

¶ Jimmy Parker becomes managing director of Texas Credit Union League.

¶ Richard Giles joins Bridge as associate editor.



Thrifty Tips

Green Lumber Hazards

VETERANS about to build homes are warned by the Forest Products Laboratory, in Madison, that practically all the lumber available for building is green, since the demand for lumber is so great there is no time to season it properly. Green lumber contains a lot of moisture or sap which should be removed through drying before a house is built, since lumber shrinks considerably in the process of drying out.

They advise home builders, if possible, to buy their lumber in advance, pile it up, and let it dry out before construction of their houses is started. This would take 60 days for one-inch lumber and 90 days for two-inch lumber. As alternatives, they suggest that builders halt construction before lathing is put on and let the house dry out before it is finished, or take their lumber to a kiln that can dry it.

How to Treat Nylon

A good rule to follow when laundering nylon fabrics is to treat them as you do other fine fabrics. Wash them in lukewarm water with mild soap, squeeze the suds through the fabric, rinse well without wringing or twisting. Do not hang nylon fabrics on or above a radiator.

As for ironing, properly finished nylon fabric is highly resistant to wrinkling during laundering and some garments don't require ironing. Others need to have hems, pockets and trim-

ming details smoothed with the iron. Nylon garments look better—as do most fine fabrics—if ironed on the wrong side while slightly damp. Use a warm, never a hot, iron.

For removing spots and stains from nylon fabric, use any cleaning agent that is ordinarily used on fine fabrics. Test it first, however, on an inconspicuous part of the garment—the under side of the hem or belt.

Bleaching nylon fabrics is not recommended. It doesn't improve the natural whiteness of nylon. Moreover, chlorine or common household bleaches may discolor the fabric while peroxide bleaches may weaken it.

New Clothes Need First Aid

Many ready-made clothes for sale today need reinforcing at seams, hems, plackets, pockets, edges and fastenings. Clothing specialists of the U. S. Agriculture department suggest that clothes will wear better and longer if housewives, before a new garment is worn, check these weak spots: (1) SEAMS . . . if the stitching is uneven, or loose, it will not hold well unless restitched . . . seams cut too closely will fray or pull out unless raw edges are overcast. (2) ARMHOLES . . . they'll pull out if seam allowance is narrow or stitching loose . . . reinforce with a double row of stitching, one row a quarter of an inch inside the other . . . overcast the edges after stitching if the fabric frays easily. (3) HEMS . . . If they are loosely sewed—and no change in length is needed—re-hem with strong thread. (4) BUTTONHOLES . . . rework carelessly-made buttonholes and restitch loose buttons and hanging snaps or hooks. (5) STRAIN POINTS . . . tape stitched underneath at points of strain—pocket corners, ends of plackets, necklines and collars—lengthens life of garment. As a final guarantee for long wear, catch all stray or dangling threads which threaten to ravel later.

Average Bride Spends \$2,081

According to a survey BRIDE'S MAGAZINE conducted among 200 retail stores, the average expenditure for every 1,000 brides is \$2,081,400, or an

average for each bride of \$2,081. The home-furnishing expenditure accounts for \$1,298,100, and ready-to-wear for \$485,250. An average of \$129 is spent by each bride on lingerie. In addition to the \$2,081,400, a large percentage of the brides spend an additional amount on permanent waves, manicures and cosmetics. Also not included in the figure are expenditures for flowers and caterers.

Sheets and Pillowcases for Rent

New York City housewives can rent clean sheets, towels and pillowcases for less money than it costs to have their own sheets laundered. A consolidated laundry corporation offers the rental service at a charge of 12 cents per sheet and 4 cents each for pillowcases and towels . . . the current laundry rate is 16 cents per sheet and 5 to 6 cents per pillowcase and towel. Moreover, housewives using the service won't have linen storage problems, won't have to mend torn sheets—and won't have an investment tied up in sheets and pillowcases.

Home Storage—A Food Saver

Don't overlook home storage as an effective, inexpensive way of storing suitable fruits and vegetables. When crops can be preserved by storing, they should be kept in their natural condition instead of canned or dried.

Since the spotlight is on spuds as a substitute for that second piece of bread, families who have grown their own or have laid in a supply during the peak marketing season will want to be sure to store them so they'll keep. Late cabbage, celery, onions, parsnips, turnips, and other root crops are also suitable for storage.

Successful storage isn't at all difficult, say the experts. How it's done is set forth in *Home Storage of Vegetables and Fruits*, USDA Farmers' Bulletin 1939.—CONSUMERS' GUIDE, U. S. Department of Agriculture.

While Women Weep

"While women weep as they do now,
I'll fight!

"While little children go hungry as
they do now, I'll fight!

"While men go to prison, in and out,
I'll fight!

"While there is a drunkard left,

"While there is a poor girl left upon
the streets,

"While there remains one dark soul
without the light of God,

"I'll fight—I'll fight to the very end!"

—Last public words of William Booth, general of the Salvation Army, aged 82 and almost blind, before an audience of 10,000 in Royal Albert Hall, London.





Suggested Reading

That Backlog of Savings

NATIONAL SURVEY OF LIQUID ASSET HOLDINGS, SPENDING, AND SAVINGS; PART ONE: MAJOR FINDINGS—A SURVEY CONDUCTED FOR THE FEDERAL RESERVE BOARD. United States Department of Agriculture Bureau of Agricultural Economics, Washington, D.C., June, 1946. 36 pages.

Ten per cent of the population of the United States held 60 percent of the savings of the country at the end of 1945, according to this very careful survey; the next 20 percent held 27 percent of the savings; the next 30 percent held 12 percent of the savings, and the bottom 40 per cent held only one percent of the savings. Individual families in the third group averaged \$700 in savings each, while those in the bottom group averaged only \$40 each.

Thus it would seem that 70 per cent of the population have less than \$1,000 in savings, and that the great majority of these have less than \$100 in savings.

In fact 50 per cent of the population is in debt to the other 50 per cent in an amount equal to 11 per cent of the net savings of the country, although it holds three per cent of the country's liquid assets. (See table 1 below.)

The above revelations will indicate the importance of this study to credit union leaders. The report is well written and is supported by 13 tables.

A somewhat more readable summary of it appears in the FEDERAL RESERVE BULLETIN for June, from which we are reprinting two tables.

It is true, as BUSINESS WEEK points out, that this report indicates there is a substantial pool of resources to support the postwar market, and that it will be sometime before the buying power represented by the savings, and the credit supported by those savings, will be fully exploited.

However one would have to be extremely callous to social maladjustments not to be impressed by the dangers foreshadowed by this study; and not to be impressed anew by the field ahead for credit union development.

If at the end of the greatest period of wage-earning we have ever known, so many have so little of the means by which to enjoy the prosperity we brag about, what must we do?

Certainly the problem has no single answer, but it is plain that this country has failed to learn the lesson of thrift. Credit union thrift.

It is equally plain that much, more than we thought, of the buying of automobiles and refrigerators and so forth will be done on credit. With credit union loans, let us say with square-jawed determination.

Credit unions have their job cut out for them. The size and shape of that job is clearly indicated by this report, which is to an extent summarized by these two tables, reprinted from the Federal Reserve Bulletin:

TABLE 1
1945 CONCENTRATION OF INCOME, SAVING, AND LIQUID ASSET HOLDINGS¹

Spending units by percentage classes	Total for each class as percentage of national total ²			
	Money income	Gross saving ³	Net saving ⁴	Liquid asset holdings ⁵
Top 10 per cent.	29	51	60	60
20 per cent.	45	72	82	77
30 per cent.	58	84	96	87
40 per cent.	69	92	105	91
50 per cent.	78	97	111	97
Bottom 50 per cent.	22	3	-11	3

¹The table shows the percentage of the national totals accounted for by the 10 per cent of the income receivers with the highest incomes, the 10 per cent of the savers with the highest saving, and the 10 per cent of the liquid asset holders with the largest holdings, and so on for other percentage classes. The spending units with the highest income are not necessarily those with the highest saving or asset holdings, so that different individual units may be included in each percentage class. Information regarding distribution of savings and liquid asset holdings by income classes will be given in a subsequent article.

²Gross saving comprises all individual positive saving (income in excess of expenditures), while net saving is positive saving less dissaving (expenditures in excess of income). Additional information on saving and dissaving is presented later in this article.

³Excluding currency.

TABLE 2
DISTRIBUTION OF PERSONAL LIQUID ASSET HOLDINGS¹

Spending units by percentage classes	Percentage of all assets held	Average amount of holdings (in dollars)
Top 10 per cent.	60	10,500
Next 20 per cent.	27	2,350
Next 30 per cent.	12	700
Bottom 40 per cent.	1	40
Total.	100	1,750

¹Excluding currency.

Getting Public With You

HERE'S HOW IT'S DONE, by Florence B. Widutis. The Postwar Information Exchange, Inc., New York. 1945. 74 pages. \$1.

Here is an illustrated, informally written guide to public action programs. It covers the field in summary form and should be helpful to all persons who wish to influence the public to act the way they want it to. A glance at it indicates how little credit unions have utilized the various promotional materials and methods already developed.

The pamphlet concludes with a 15-page directory of "Organization which

provide materials and speakers in the field of popular education." Credit unions and those interested in credit unions should of course add to this directory credit union leagues and the Credit Union National Association, but that does not mean they will fail to find the names listed of interest and possible help.

Scientific Teamwork Essential

SHOULD THE GOVERNMENT SUPPORT SCIENCE? by Waldemar Kaempffert. Public Affairs Committee, New York. 32 pages. 10 cents.

Long-range planning by a responsible agency such as the proposed National Foundation of Science is inescapable if the United States is not to lag behind other countries in scientific research. Such is the warning this pamphlet makes graphic.

Unplanned research and a lack of over-all purpose and direction have caused science to grow in a haphazard way. As a consequence we have failed to follow through on many good clues, we have wide gaps in our knowledge, and we have made irregular progress in the various sciences, with the physical sciences outstripping the others.

Many scientists in this country have been opposed to "planning" because it implies control, but the implication is not justified, Mr. Kaempffert points out. We have in our huge industrial research laboratories "an example of what organization, planning, and able direction can accomplish without stifling freedom of inquiry."

"In some of these laboratories 'fundamental' problems are attacked with the same freedom of thought and action that we find in universities. 'Pure' and 'applied' science are welded together so that there is no lapse of years before a 'fundamental' discovery is carried into practice. Scientists and technologists work in teams, with a consequent saving of much time, effort, and money."

The author points to the Soviet Union as a challenging example of the astounding results that can be achieved when research is organized and planned as it is by the Soviet Academy of Sciences, which maps out the whole field of science.

Mr. Kaempffert would have us achieve a similar coordination while preserving the traditional freedom of science and permitting scientists to accept or decline work on the projects outlined by a National Science Foundation.

Inclusion of the social sciences in the framework of planned research is also held to be essential. "The danger of

any attempt to separate the natural from the social sciences should be evident from our recent experiences in developing atomic energy."

As an indication of what can be done by teamwork the wartime co-operation between the social and natural scientists is pointed out. In this combined application of the physical and social sciences, called "operational research," economists worked with mathematicians, psychologists with physicists, in order to turn "theories" into social action. Economists, geographers, and weather experts cooperated with technicians familiar with airplanes and bombing in mapping targets for strategic bombing. Social scientists and the technical experts worked out supply problems for the army.

"Scientific and technologic research always affects production and employment, as well as social security, race relations, public administration, agricultural policy, conservation of natural resources, and the utilization of raw materials which are not uniformly distributed in the earth's crust."

"Change within science and technology always means social change. The greater the discovery, the more marked is the change in business and folkways. We clearly need foresight, a more orderly way of making the most of science and technology.

"Combine the natural and social sciences in a single division in accordance with plans now looked upon with favor, and we even lay the foundation for a science of civilization."—*This review is adopted from one issued by Public Affairs Committee.*



Our Readers Write

Key-Point Lost

TO THE EDITOR:

I just reviewed the item in the June BRIDGE (page 21) which was a copy of letters taken from my files and was very much disappointed that the P. S. in Mr. Blank's letter was omitted. This was the key-point of the correspondence, because after laying me out in lavender about the usurious charges of the credit union, he added a P. S. which was, "I may need about \$150 on August 1st."

This was the key-point of the whole story and the humor of the whole situation is lost when this is not included.—*Leonard R. Nixon, managing director, The Connecticut Credit Union League, New Britain, Conn.*

A Great Time Saver

TO THE EDITOR:

I have often planned to write and tell you of the many helpful ideas which I get from the BRIDGE, but taking care of a credit union after regular work hours, does not leave much time.

Complying with a request on the Exchange page, I am enclosing an idea which I took from the back of the April 1946 copy of the BRIDGE (see page 15).

We enrolled 20 new members after this was sent to every potential and old member in our group. I am not in a position to say just how many were brought in by the bulletin as it was sent just before the summer vacation which is our normal loan time.

I appreciate the fact that you allow us to "lift" ideas from your publication. To a busy treasurer, it is certainly a great time saver.—*Ruth H. Burus, treasurer, Duval County Teachers' Credit Union, Jacksonville, Florida.*

Why Attend

Credit Union Chapter Meetings

OCCASIONALLY someone will ask, "Why attend chapter meetings?" How can a director stay away from chapter meetings and honestly feel that he is doing the best he can for the members who elected him? Above all, how can the treasurer and president of a credit union stay away? If a man accepts such a position of trust and responsibility he must realize the seriousness of the charge he has accepted and to live with his own conscience, he should do everything he can to increase his knowledge of credit union affairs.

Most of us engaged in credit union work are not trained bankers; we are accountants, clerks, bookkeepers, truckmen, machinists, lawyers, personnel men, etc. Those with banking experience or training are decidedly in the minority. I am an accountant and I find the small scale banking done by my credit union has many problems that I cannot find the answer to in my text books. The best and quickest way to find the solution is to ask questions. But whom to ask?

We may call up John Jones, our neighbor credit union treasurer, whom we may not know very well, and tell him we have heard that some credit unions in industrial plants are using payroll deductions and ask his opinion on the matter. He is decidedly opposed to payroll deductions and cites us many reasons for his stand. John Jones is very honest about his opinion. He gives his best advice and he really feels that payroll deductions are not to the best advantage of credit unions. The net result is that we have one

man's opinion and that opinion might be prejudiced.

One of the major reasons for chapter meetings is the swapping of ideas. In our chapter we devote a large portion of each meeting to what we call our "Bring Your Problems Period." One will ask his question and the body will try to answer it for him. Someone who had the same or similar problem will explain how he handled it and the results that ensued. Sometimes the questions are easily answered, but occasionally a lively debate takes place with practically everyone in the room taking part. After you have heard the pros and cons, you are in a much better position to make a decision for your own credit union. The conclusion of a group of interested people is of much more value than the opinion of one man.

You get to know the other credit union folks personally and feel more comfortable in talking to and asking questions of them than if they were just names rather than friends.

We meet once a month and I find at each meeting I would like either information or opinions. When I think of the chapters that meet only quarterly, and then at a dinner meeting (not much is accomplished at a dinner meeting) I wonder if they really know what a wealth of information they are missing by not meeting more often to swap ideas with other credit unions in their locality.

I cannot believe that the credit unions not represented at chapter meetings are managed by directors who know all there is to know about credit union affairs. If they really know all that there is to know, they should be kind enough to come to chapter meetings and give a helping hand to the rest of us who are not so fortunate.—*B. C. CREDIT UNIONIST.*

Succeeds Croteau

J. G. DENNIS, inspector of credit unions for Prince Edward Island, has been made managing director of the Prince Edward Island Credit Union League to succeed Dr. J. T. Croteau, who has been appointed head of the Department of Business Administration and Economics at the Lady of the Lake College in San Antonio, Texas.

However, Mr. Dennis will continue to be responsible for credit union inspections, since the league has made an arrangement with the Provincial Government by which the league will be in charge of both auditing and promotional work for credit unions.

Dr. Croteau has been a pioneer leader of credit union work in the province.

Power of Town Press

TO THOSE WHO ASSERT the editorial power of the small town weekly newspaper is a thing of the past, a rural Georgia editor last month had an answer, according to *Editor & Publisher*. Milton L. Fleetwood, editor and publisher of the *Tribune-News* (circulation 4,600), Cartersville, Ga., weekly, saw the climax of a scorching six-month crusade against the Bartow county court house ring when the April grand jury, called into special session to consider a report of county finances made by an Atlanta auditing firm, asked the commissioner, A. V. Neal, to resign, and returned true bills of indictment against two of Neal's underlings on embezzlement charges.

To Fleetwood the grand jury's action was no small personal triumph, for in April these same 23 jurors had ripped into the *Tribune-News*, denouncing and condemning Fleetwood's attacks on Neal as being "uncalled for and unjustified."

He Asked Questions

It all started when the newspaperman, making a survey of county roads as foreman of the January, 1945 grand jury, reported that the roads were quagmires. Fleetwood, smelling some good copy in the red Georgia mud, started asking questions in his paper that nobody seemed able to answer.

On the morning of Friday, the 13th of April, an employe found attached to the front door of the *Tribune-News* building, the following note, written in ink, and unsigned:

"M. F. Fleetwood, take this warning: mind your own business—or else!!!"

He photographed the threat and published it on the front page.

Once a man, whose 20-inch ad appeared regularly in the *Tribune-News*, told Fleetwood he would stop his advertising if the paper did not stop the campaign.

"Do you know how much influence you have with the *Tribune-News*?" the editor stormed, "Just 20 inches worth—that's all! And if you stop your ads you won't have a damn bit!"

The ads are still running.

Fleetwood finally forced the county to submit to an audit and this led to the grand jury action.

The singlehanded campaign demonstrated to other rural weekly editors who followed it with much interest, that a weekly newspaper's editorial page can pack dynamite, and move mountains.

Fleetwood demonstrated that the risks in such a venture were small. His advertising did not suffer, and his circulation received a boost. Through the final weeks of the crusade, when

the fight was hot, Cartersville citizens lined up on the sidewalk outside the *Tribune-News* building on Thursday afternoon, waiting for the latest chapter. Fleetwood, unhampered by the paper shortage, sold hundreds of extra copies.

This week Milton Fleetwood had a modest explanation for what he had done:

"I'm just a country boy who believes in the power of printer's ink!"—*THE COOPERATIVE CONSUMER*, published by Consumers Cooperative Association, North Kansas City, Missouri.

Community Action

In Finance

THE 880 MEMBERS of the Lafleche Community Savings and Credit Union Ltd., Lafleche, Saskatchewan, had good cause for satisfaction when they looked at their balance sheet for 1946. In spite of a poor crop year in 1945, capital had climbed to \$401,000 by year's end; shares paid, 3½%; deposits, 1½%. The record showed 3,103 loans to the total of \$650,000 in the past six years without a penny lost.

It was a far cry from gloomy relief-ridden 1938 when twelve men, with nothing but faith and \$52.50, started out. It represented six years of experiment, hard work and worry—six long years when late harvest took as high as 90 per cent of the total capital out in loans at one time; six years of quota sales which made loan repayment slow, six years of uncertainty. But in spite of everything Lafleche always led, and even pioneered many new developments.

1945 was a year of comparatively "easy money" in Lafleche, but loans totaled \$172,000. \$137,000 went to farmers, \$18,000 went to merchants, and \$17,000 went to others, for machinery; mortgage redemption; taxes; medical, dental and hospital care; Victory Bonds; insurance; fuel; homes, furniture and clothing.

The SASKATCHEWAN PROGRESSIVE salutes Ed. Bilodeau, secretary-treasurer, who nursed the credit union along to its present position. We also congratulate the officers and members who proved once again that communities can get together and make a go of a good thing.—SASKATCHEWAN PROGRESSIVE.

"Public Is A Jerk"

"... the public has bad judgment and worse taste and prefers to let somebody else do its thinking, good or bad. Approach it at a low mental level, pander to its cheaper nature, hammer away hard enough at what

you want it to do—and you'll get results. . . . The thousands of fools that throng the race-tracks, the millions who spend their evenings in bars and beano parlors, are all busy proving . . . they are unintelligent . . ."

Who said that? NEWSWEEK reports that Howard G. Sawyer, vice president of the James Thomas Chirurg Co., of Boston, said it. Want to make something out of it?

If Mr. Sawyer won't mind, I'd like to make something out of it. I'd like to point out that in certain things, members of credit unions do a little thinking of their own. If they are conscientious credit union members, they realize that economic forces are not beyond human control and that if certain fundamental truths about our economic system can be hammered home into the consciousness of mankind, we'll get results.

Cornerstone Truth

One of these fundamental truths and one that is a cornerstone of the credit union movement, is the fact that cooperation must replace competition in many important fields. Do all credit union members really understand this fact?

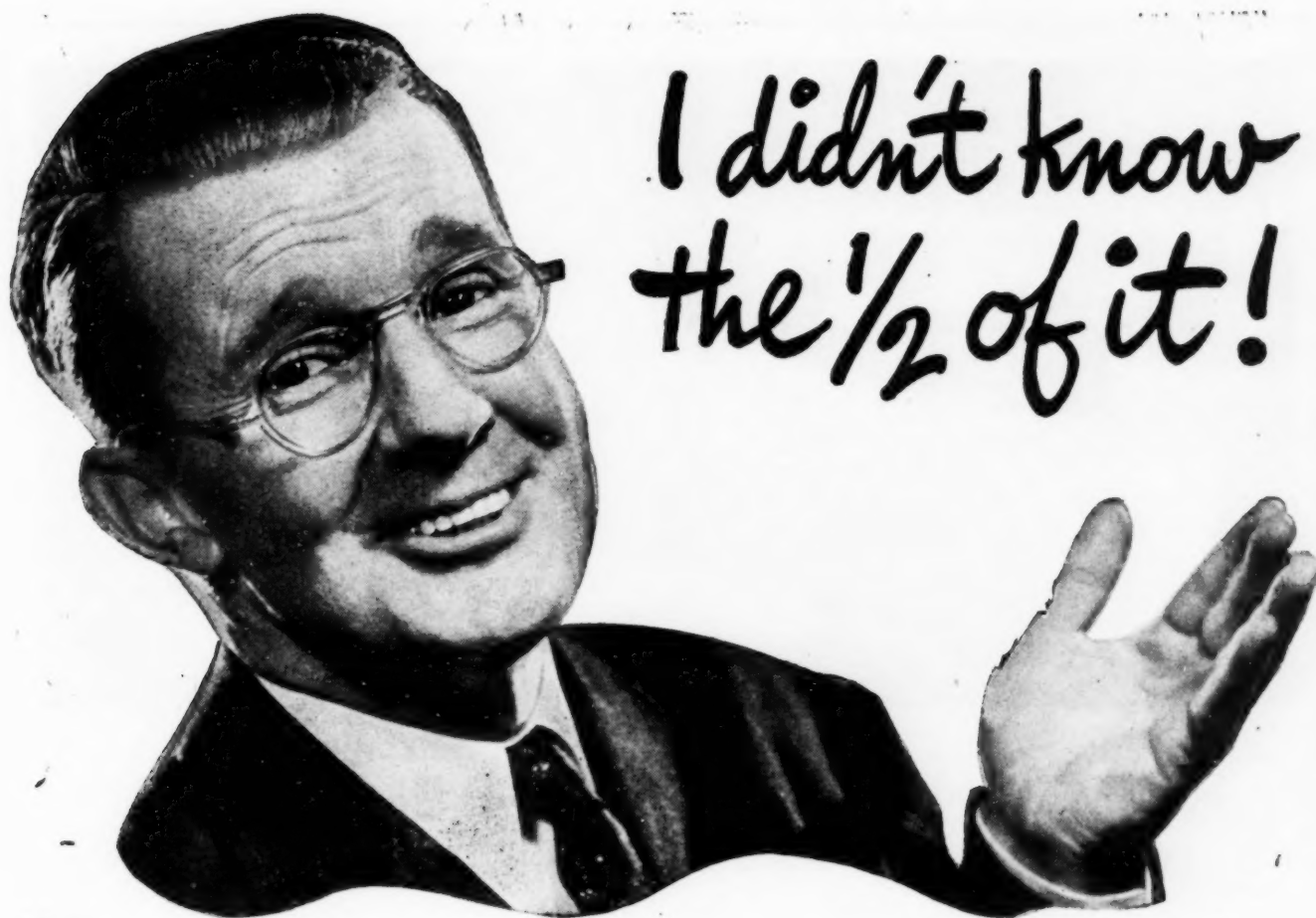
Another important truth, one that, had it been fully realized by the common man of Europe and especially Germany, might have saved the world from the horrors of World War II, is that true democratic government must be from the bottom up, not from the top down. The credit union movement, with its rule of "one member, one vote," effectively stops any concentration of power in too few hands. It is a perfect example of democracy at work. Do all credit union members really understand this fact?

I wish it were possible to say that Mr. Sawyer's remarks did not apply to credit unionists at all. We know they do. We help to throng the race tracks; we waste our time playing bingo and drinking beer, along with other unintelligent people. Only education can eradicate these follies from human nature. But basically most of us realize that the ideas behind the credit union movement, namely cooperation and economic democracy, hold a promise of greater freedom for mankind and that to practice what we preach should be more than a duty, it should be a positive religion.

If enough people believed that, they could transform the world.—John D. Timlin, treasurer St. Clare's Parish Credit Union, Toronto, Ontario.

No Sale

WHY IS IT some passengers think the ticket agent sold them the train?



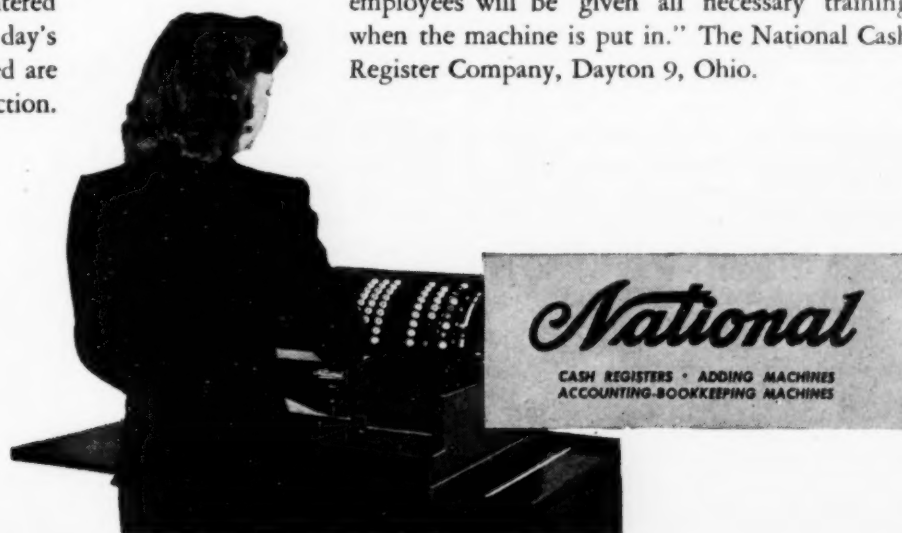
"**A**nd you won't, either, until you have actually seen with your own eyes what the National Window Posting Machine can do for you. How it can speed up and make more efficient the whole bookkeeping set-up of your credit union.

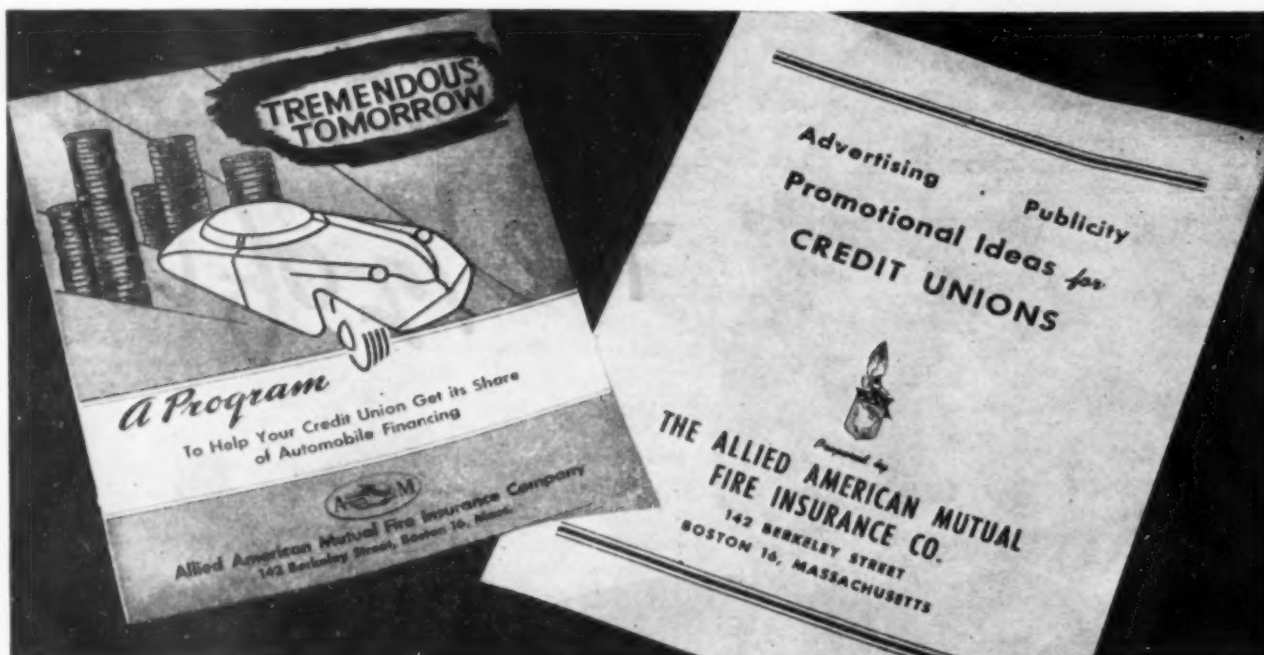
"First of all, it's a *complete* accounting system in itself. It posts the ledger card, members' receipt folder, and detailed journal sheet all in one operation. No back-office posting is called for. Since all three printings are originals, and since all three must agree, proof is automatic.

"It gives you an accurate check on each transaction from the moment it is entered—with a detailed analysis of the day's business at closing. Amounts posted are added into locked totals for protection.

"It lets you handle members much more quickly—and that pleases them. Just as it pleases them to have their records in such clear, legible, indisputable printed form—so business-like and up-to-date looking. It handles cash payments or payroll deductions with equal ease, and provides quarterly statements to members for auditing purposes.

"Why not contact your National representative and have him show you how the National Window Posting Machine can save money and unnecessary work for your organization? . . . And remember this, your employees will be given all necessary training when the machine is put in." The National Cash Register Company, Dayton 9, Ohio.





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If your Credit Union is planning to finance cars—if you want to know more about the "hows," "whens" and "whys" of this profitable expanding field of Service—then by all means send for a copy of American Mutual's

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SHARP increases in manufacturing costs make it necessary to raise cost of Cuna's calendar banks to \$1.95 each, less 20 per cent to league members.

Even so, these banks still offer a bargain-priced method of promoting thrift and of increasing interest in your credit union.

Order them, and all your credit union supplies, from your league or

Cuna Supply Cooperative
Madison 1, Wisconsin

Coming Events

August 8-10—Cuna Executive Committee and Cuna Mutual Board meetings, Madison.

September 7 — Michigan Credit Union League annual meeting, Hotel Statler, Detroit.

September 7 — Wisconsin Credit Union League annual meeting, Hotel Stoddard, La Crosse.

Retirement Plan

THE CUNA RETIREMENT SAVINGS PLAN is now in effect for Cuna employees, and may be adopted by credit union leagues and individual credit unions with one or more employees.

Details of this plan, which provides for regular contributions to a savings fund by both employee and employer, will soon be available to interested organizations.

Stryfest

by Jim Gaunt

DID YOU EVER gallop a record-breaking hundred yards to catch one of those elusive street cars of ours, only to have it pull away from under your very nose? Of course you must have. Such heart-rending affairs have become an inseparable part of this modern world of ours.

Modern though our world has become, primitive passions still surge through the blood streams of good old Homo Sapiens. At times like this your blood fairly curdles with passion, and you call down all the ancient curses you can conjure on the hapless head of the fiend at the control of the disappearing tram. No doubt your outburst concludes with a mumble to the effect that you would wish for nothing better than to meet that motorman at some future date to impart a few items of information for his special attention.

If such a state of affairs has never existed in your happy life, you have more self control than I have. That is why I looked with a certain amount of apprehension to an opportunity to visit all of these super-criminals

under one roof, at a social gathering of their STRY Credit Union (Vancouver, British Columbia).

This will no doubt come to you as a bit of a shock, but in their gayer moments these characters have the appearance of ordinary human beings. Their wives are pretty, even prettier than the average run of wives, and to see them stowing away the food at a banquet you would think that nothing whatsoever troubled their respective consciences.

The Banquet Hall at the Georgia Hotel was crammed to capacity, and the whole crowd was definitely pleasure bound. Norm Russell proved to be a very effective Master of Ceremonies, and could be quite usefully rented out for that purpose. Stry members, gathered in full force, were in a festive mood and were ready to listen to anything but business. A minor disturbance at one end of the banquet table proved to be Vill Yuell, the man in charge of the ticket sales. When the waiter came along to collect the tickets, believe it or not Bill didn't have one.

Stry has 2,000 members now, and

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to serve you.

Educational Committee Tip

A LOAN PACKET of suggestions to help credit union educational committees plan their programs, including a generous supply of samples of materials used by other credit unions, may be borrowed 30 days without charge, from Education and Organization Department, Credit Union National Association, Madison 1, Wisconsin.

A VOLUME of Help

BOUND VOLUMES of the 1945 Bridge, complete with index, are now ready, at \$3 a copy. For ready reference to a year of informational and helpful credit union material order yours now.

The Bridge

Madison 1, Wisconsin

Correction

Autopoint Pencils advertised on page 23 of the July BRIDGE were correctly priced in the body of the advertisement but not in the coupon. The correct price is \$1.75 each, net.

Order from your
credit union league or

Cuna Supply Cooperative
Madison 1, Wisconsin

if they are all as eager and full of pep as the boys who jostled me in the line-up at the punchbowl that credit union is really going places in a big way in the next few years. All in all it was quite a gay event, with dancing to a ten-piece orchestra and everything. Social events of this kind bring out the spirit of good fellowship so essential to a co-operative such as ours.—
B. C. CREDIT UNIONIST.

Credit Union Basic

"ORGANIZING THE CREDIT UNION and Other Cooperatives in the Parish," is a 6-lecture course being given at the six 1946 sessions of the Summer School of Catholic Action. Mary G. Dooling, director of the department of cooperatives and credit unions of the central office of the Sodality of Our Lady, will be the instructor.

The sessions are being held in New Orleans, La., June 10 to 15; Montreal, P. Q., June 24 to 29; Chicago, Ill., July 1 to 6; San Antonio, Tex., July 29 to Aug. 3; New York, Aug. 19 to 24; and again in Chicago, Ill. from Aug. 26 to 31.

Miss Dooling has taught cooperatives and credit unions at the Summer School of Catholic Action since 1942. This summer, for the second year, she is also teaching at the Institute in Social Work in the Missions being held at St. Louis University. In 1945, she spent 2½ months in British Honduras and Jamaica, B. W. I., lecturing on co-ops and making a survey of the work done in co-ops there. She describes the credit union as the fundamental parish co-op.

In addition to the study of the organization of credit unions, the classes will discuss ways in which cooperatives may solve problems of food buying, housing, medical care and other consumer problems. Miss Dooling will also give a course on "Teaching Cooperatives in Schools and Colleges."



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